

Unofficial translation of the Finnish Annual Report 2023. In case the document differs from the original, the Finnish version prevails.

ADMICOM OYJ

Annual report 2023

 **adm1com**



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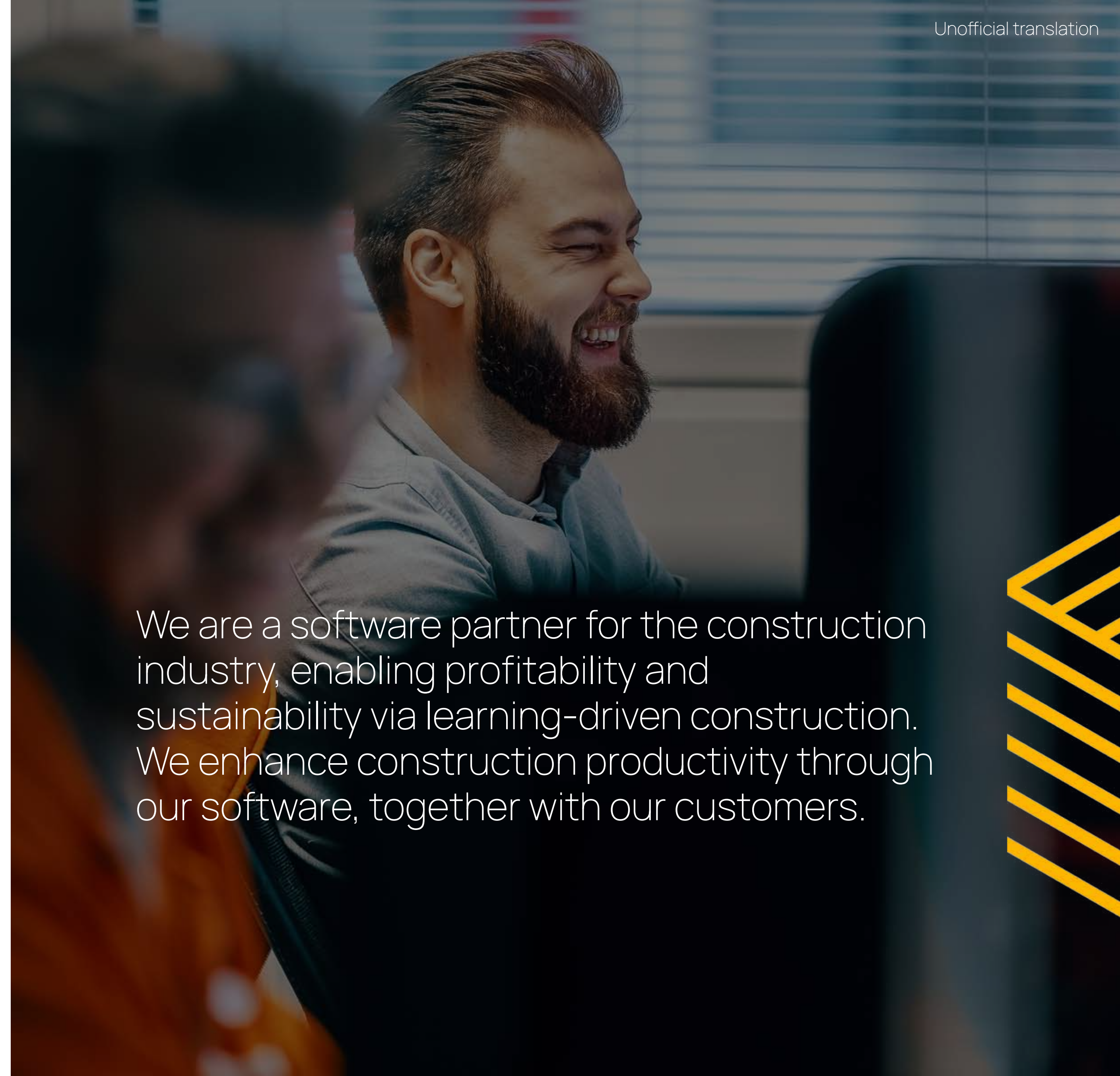
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We are a software partner for the construction industry, enabling profitability and sustainability via learning-driven construction. We enhance construction productivity through our software, together with our customers.

Admicom in brief

Founded in 2004, Admicom is a modern, constantly developing, and innovative software company. We utilise our expertise in the construction industry by producing software solutions covering the entire construction value chain as well as services that support our customers' operations.

We understand the operating methods and needs for digitalisation in the construction industry. We aim to significantly increase the productivity and quality of operations of construction industry businesses with the help of our software. Our solutions put knowledge and expertise at the heart of our customers daily work – so they can build smarter.

Our company has more than 270 employees in Finland at our offices in Jyväskylä, Helsinki, Tampere, Oulu, Seinäjoki and Turku. We are working determinedly to expand our business beyond Finland.

Success factors

- **Streamlines customer operations:** Modern solutions independent of time, place and device speed up the execution of day-to-day work and provide real-time business information to make operations more efficient.
- **Pioneer:** Admicom promotes digitalisation of its customer sectors through a highly automated and constantly developing ERP systems.
- **Comprehensive solution:** Admicom offers an extensive software package and a wide range of services developed for the needs of companies in the construction sector.
- **Rapid growth:** The revenue of Admicom has, on average, increased annually by 25 % during the past five years.
- **Profitable business model:** As the SaaS-business has grown, the company's operating margin has been improved from 9.7% in 2013 to 37.3% in 2023.

Revenue growth

9 %

EBITDA

37 %

Recurring invoicing (% of revenue)

93 %

Admicom's software solutions

Admicom Estima

Quantity and cost estimation

Admicom Tempo & Planner

Construction project scheduling

Admicom Ultima

Comprehensive ERP

Admicom Flex

Mobile work control

Admicom Vision

Documentation solutions

Admicom BIM3

Building Information Modelling

Key events of 2023

Tempo scheduling software is launched

At the end of May, Admicom launches its new scheduling software Tempo. Tempo is a tool for scheduling and project management of construction projects, which allows construction companies of all sizes to plan, monitor and manage the progress of their projects. The browser-based scheduling software expands the use of software to the worksite's employee level, enabling genuine real-time scheduling and work supervision.




Investments in the utilisation of artificial intelligence

During 2023, the use of extensive language models has grown tremendously. New tools are constantly emerging to increase productivity. Admicom invests in exploring the possibilities offered by extensive language models also in its own products. The company also hires a Head of AI when Jukka Ala-Mutka starts in his position in October. The first AI-enabled solutions will be made available to customers during 2024.



New quantity and cost estimation software to the market

At the end of September, Admicom launches the new Estima Pro software. Estima Pro is the market's first software for small construction companies that enables the management of the entire estimation process in one environment. The browser-based software covers all areas related to construction estimation, as its tools include quantity calculation, cost estimation, maintained cost information, offer estimation and target estimate creation.



New experts from Admicom Academy

Admicom Academy, piloted for the first time in 2022, continues, with a total of 12 future financial administration professionals starting in accounting firm services in the spring and 10 in the autumn. The Academy offers those at the end of their studies, recent graduates or those changing careers the opportunity to grow into an accounting or payroll expert according to a carefully planned orientation and training path and to find employment at Admicom in financial administration positions.



New Admicom login

In 2023, user authentication is renewed. New authentication will be introduced to customers in stages in early 2024. The reform improves data security and enables, among other things, multi-factor authentication and logging in with existing Microsoft and Google credentials. In addition, the new solution will also bring a significant improvement in usability, as customers will eventually be able to log in to all the Group's products with a single ID.



The Group's brand is renewed

In recent years, Admicom has carried out determined strategy work aimed at clarifying the company's purpose and future directions. The company wants to lead the way in making everyday life more sustainable, profitable and responsible together with its customers. As part of the broader strategic work, a brand renewal is implemented during the year, and is visible in the company's software and website after the launch in January 2024.



From the CEO



"At Admicom, we want to be an enabler of learning-driven construction, whose solutions provide our customers with an excellent platform to develop their operations to be more productive and sustainable."

We started executing our refreshed growth strategy at the beginning of 2023. During the year, we have transformed from a multi-industry ERP supplier into a vertical SaaS supplier focused on the building ecosystem, with interconnected solutions that enable companies in the industry to significantly improve their productivity. This first phase of our strategy journey also became more visible to our customers after we moved to one

Admicom brand at the beginning of 2024 and at the same time renewed the naming of our product suite for additional consistency.

The downturn in the construction industry has hit our customers during the year, and the total volume of the Finnish construction industry is estimated to have decreased by 10%. Admicom's strength during this challenging time is the continuous revenue model of

our products and the fact that our products are mission critical also during difficult times. This was visible throughout the year as good new sales results relative to the cycle of the market. We are pleased to say, that new sales in the fourth quarter were also at the planned level. In terms of sales, the biggest success was the ERP agreement signed with a customer in the turnover category of over EUR 100 million in the summer after a thorough procurement process for the customer. This, and especially the pick-up in sales in the small business segment in the autumn, shows the continued competitiveness of our products. Our organic recurring revenue grew by approximately 11% during the year. The adjustment fees of the Ultima (previously Adminet) solution were at record level (EUR 2.3 million).

Growth was also slowed down by increasing product churn and by customers reducing solution users, especially in project management and documentation solutions. Customer bankruptcies or closures due to insolvency also played a major role in product-specific churn. Measured in euros, the share of bankruptcies in attrition more than doubled during the year compared to the previous year and represented more than a quarter of total attrition. We estimate that the difficulties in the construction sector will continue in 2024 and that bankruptcy attrition will remain high also in the spring, but that the situation will ease towards the end of the year. We also believe that the recession will contribute to accelerating the digitalisation of the construction sector, as productivity will play an increasingly important role as the era of zero interest rates is behind us.

In terms of growth investments, we continued the cautious policy followed after the summer. However, earlier investment decisions and recruitments weighed on profitability, which in the last quarter of the year is otherwise seasonally weakest. However, full-year profitability (EBITA) remained at the strong level of approximately 37% of net revenue, in line with our guidance.

Our strategic development focus for product modernisation, new products, sales and marketing team development and better customer service have progressed well. We believe that these investments will bear fruit during 2024 in the form of stronger new sales and decreasing churn in the second half of the year. As our customers' business volume will decrease due to recession it will also decrease the annual adjustment fees in 2024. When customers' business recovers this will improve annual adjustments fees again. However, thanks to the investments made and the faster growing ARR portfolio towards the end of the year, we are well positioned to start the phase of accelerated growth after the recession in 2025, in line with our strategy.

In terms of our internationalisation strategy, we proceeded towards the end of the year to market surveys and analysis of acquisition targets. For the time being, we will proceed cautiously in internationalisation. As a rule, we see carefully considered acquisitions in a suitable market as the leading way to internationalise. In terms of acquisitions, we have improved our preparedness and intend to carry out acquisitions that support our product portfolio or expand the market during 2024. We also prepare for this by proposing to the Annual General Meeting a dividend of 70 cents per share (1.3 euro/share in 2023) in accordance with our dividend policy (more than 50% of earnings as dividends).

We are entering the new year as renewed Admicom in many ways. For our personnel, this is reflected in a more uniform culture and way of working, but also in numerous changes. I would like to thank the entire Admicom community for their enthusiasm and patience on our shared growth journey. In 2024, the changes we make will start to be more clearly visible to our customers in the continuously improving integrations between products, a new and modern dashboard view combining the solutions of our product family, solutions that utilise artificial intelligence and, of course, a unified way of approaching and serving our customers. At Admicom, we want to be an enabler of learning-driven construction, whose solutions provide our customers with an excellent platform to develop their operations to be more productive and sustainable.

Petri Kairinen
CEO

Strategy

Focus on the construction industry

In the 2020s, Admicom has changed from a single ERP system provider to a wide-scale software provider for the construction industry. Admicom still sees a lot of opportunities in Finland and internationally to boost the productivity of the construction industry through digitalisation, especially in the area of SMEs.

In November 2022, we published our clarified strategy, which puts the customer experience of customers in the construction industry at the heart of our operations. The aim is to significantly increase the productivity and quality of operations of construction entrepreneurs through digitalisation. Digitalisation solutions utilize both software and highly productized value-added services. Admicom's strong foundation in Finland and its extensive user base in the construction value chain provide an opportunity to build data driven, AI-powered automated models. At the same time, Admicom can be a key player in the entire construction value chain, providing customers with increasing added value through partnerships.

Understanding the digitalisation needs of the construction industry, industry-specific operating models and selected software form the basis on which we will start planning determined internationalization for markets outside Finland.

Execution in two phases

The 1-2-year first phase of the strategy period will build the necessary foundation for accelerating organic growth, data-driven operations and strong internationalisation. At this stage, the main focus is especially on improved service for a wide range of current customers, expanding the customers' range of solutions, and in improving ease of use of solutions, and in increasing the data-based functionalities and the degree of automation of the solutions.

We expect the downturn in the construction industry to diminish by the end of this first phase, during which we will build the foundation for strong organic growth as the recession eases. During this phase, we will increase our investments in growth projects, while constantly taking into account the market situation as the recession progresses.

In the second phase of the strategy period, a clearly stronger level of organic growth is sought from superior customer experience, synergistic sales work, diversifying solution offerings and international markets.

Acquisitions are still part of the company's toolbox and can be used to support internationalisation or to expand the company's solution offering for the digitalisation needs of construction customers.



Report of the board of directors 2023

Established in 2004, Admicom is a pioneer in system development and a comprehensive software and accounting services partner for small and medium-sized enterprises. At the core of our service package is the Admicom Ultima ERP system (formerly Adminet), which covers a wide range of solutions for managing customer companies' operations from mobile tools on the construction site to real-time financial monitoring and project management. A highly automated SaaS solution helps SMEs improve their competitiveness and profitability and saves significant time on site and in the office. We also offer our clients training, consulting and accounting services. Our software family also includes Ultima Lite (formerly Adminet Lite), a cost-effective software and service package for small businesses, Admicom Flex (formerly Hillava), a precision solution for mobile work management, Admicom Vision (formerly Kotopro), which offers modern solutions for higher quality documentation, and a project management unit whose range of services includes solutions for quantity and cost calculation (Estima and Estima Pro), scheduling (Tempo and Planner, formerly Tocoman Aikataulu) and BIM3 solutions for utilising building information models. The shares of Admicom Oyj, the parent company of Admicom Group, are listed on Nasdaq First North Growth Market Finland.

Key events during the financial year 2023

Changes in Leadership in 2023

During 2023 the Group's leadership team was strengthened according to Admicom's internationalization strategy. In May 2023, Pekka Pulkkinen started as the Chief Growth Officer. In June 2023 Admicom announced that CFO Petri Aho will transfer to new role as Chief Development Officer, and Satu Helamo was appointed as the new Chief Financial Officer. Helamo started in her role on October 9th. Group's Senior Business Controller Katariina Lähdesniemi acted as interim CFO. In December Admicom announced that Human Relations manager Helena Marjokorpi was appointed as Head of People Operations and member of the leadership team as of 1 January, 2024.

Changes in Group structure in 2023

There were no changes in the Group's legal entity structure in 2023.

The Group balance sheet includes EUR 0.5 million earnout liability from the acquisition of Planman Oy in 2022. The liability is contingent to continuation of the acquired business and securing the development of the acquired product, and is due for payment on 31 May, 2025.

Changes in strategy in 2023

Admicom announced its updated strategy on 2 November, 2022 and held a Capital Markets Day in January 2023 to communicate the content, market analysis and operational targets. According to the updated strategy, Admicom focuses on software and value-added services in the value chain of the construction and building sectors. Admicom's objective is to increase significantly the productivity and quality of operations of construction entrepreneurs through digitalization. The Group aims for internationalization in the vast and growing European construction technology market. As part of limiting the Group's customer focus on the construction sector, Admicom analyzed the separation of its Industrial Division into an independent company in 2023. As a result of the analysis, the Group decided to continue serving the customers in this sector with a unified organization and the separation was not executed.

Published strategic targets 2023-2030:

- Admicom aims for recurring revenue level of EUR 100 million (ARR) by 2030, clearly exceeding the "Rule of 40" target and being present in several European markets.
- During first phase of the strategy in 2023-2024, we aim for organic revenue growth of 8-15% and EBITA margin of 35-40%, due to increased growth investments.
- During the second phase of the strategy, Accelerating Growth, in 2025-2030 we aim for more than 15% organic recurring revenue growth and EBITA margin to exceed 40% of the revenue.
- Acquisitions will be an integral part of Admicom's growth strategy and will contribute to accelerating the company's overall growth.

Financial performance 2023

The Group's **revenue** for the financial period 1.1.2023 – 31.12.2023 was EUR 34,6 million (31,6). Revenue increased by 8.6% from the previous year. Organic growth represented 5.6 percentage points of the total growth and inorganic growth from acquisitions contributed 3.0 percentage points. Organic growth was driven by recurring revenue from Ultima (formerly Adminet) and project management software, as well as Ultima's annual adjustment fees. In the first half of 2023, inorganic growth was generated by the acquisition of Kotopro.

The impact of annual adjustment fees on the revenue growth was +2.4 percentage points, and the total amount of adjustment fees in Group's revenue was EUR 2.3 million (1.6). SaaS invoicing accounted for 76% (71%) of revenue in 2023, accounting services consisting mainly of recurring revenue for 18% (20%), and training, consulting and other income for 6% (9%). By business, revenue in 2023 was divided as follows: ERP solutions 77%, project management solutions 13%, documentation solutions 8%, software development services 2%.

The Group's **EBITDA** for 2023 decreased by 9.3% to EUR 12.8 million (14.1), or 37.3% of revenue (44.6%). The decrease in EBITDA was driven by investments made during the financial year in the Group's customer experience, product development and accounting services, and the strengthening of the Group leadership team.

The Group's **operating profit** decreased by 18.4% to EUR 8.8 million (10.8). Depreciation and amortization for the financial year increased by EUR 0.7 million to EUR 4.0 million (3.3). At the end of the financial year, an additional amortization was recognised in Kotopro's goodwill due to a change in the amortization period. The change is technical and does not affect the company's future expectations. Amortization of Group goodwill and goodwill totalled EUR 3.8 million. The result for the financial period was EUR 6.3 (8.0) million.

Report of the board of directors 2023

Key figures, Admicom Group	2023	2022	2021
Revenue, EUR 1000	34 321	31 615	24 857
Growth-%	8.6 %	27.2 %	13.4 %
Comparable organic recurring revenue, EUR 1000 ¹	30 293	27 348	-
Growth-%	10.8 %	-	
EBITDA, EUR 1000	12 800	14 115	11 862
% of revenue	37.3 %	44.6 %	47.7 %
EBITA, EUR 1000 ¹	12 676	13 735	11 519
% of revenue	36.9 %	43.4 %	46.3 %
Operating profit, EUR 1000	8 823	10 811	10 374
Operating margin	25.7 %	34.2 %	41.7 %
Profit for the financial year, EUR 1000 ²	6 317	7 975	8 054
% of revenue	18.4 %	25.2 %	32.4 %
Equity ratio, %	72.7 %	59.9 %	83.1 %
Return on equity, %	21.7 %	26.3 %	29.8 %
Earnings per share (EPS), EUR	1.27	1.60	1.63
Equity per share, EUR	5.86	5.89	6.37
Distribution of profit per share, EUR	0.70*	1.30	2.00
Dividend on profit, %	55.3 %	81.3 %	92.9 %
Return from invested unrestricted equity fund on profit, %	-	-	31.0 %
Effective dividend and return of equity yield, %	1.6 %	2.8 %	2.4 %
Price per earnings ratio (P/E)	34.1	29.1	51.7
ARR ³ at the end of the period	32.5	30.0	-
Personnel expenses, EUR 1000	-14 943	-12 178	-9 010
Employees on average during the financial year	263	235	180
Employees at the end the period	271	241	209

¹ Comparable organic recurring revenue includes recurring software revenue and revenue from recurring accounting services. PlanMan Oy has merged into Tocoman Oy on 31.12.2022 and is reported as part of organic revenue as of 1.1.2023. The revenue of non-strategic customers in the Industrial vertical and Lakeus have been adjusted out of comparable recurring revenue for the reporting and comparison period.

² Operating profit before amortisation of consolidated goodwill and goodwill and amortisation

³ Annual Recurring Revenue = Monthly recurring revenue (MRR) at the end of the period multiplied by 12 and added with revenues from annual adjustment fees and financial statement fees during last twelve months.

* Board of Directors' proposal for the distribution of profit per share

Expected future performance

Outlook 2024

Annual Recurring Revenue (ARR) is expected to grow in 2024 by 5-10%. ARR in 2023 was 32.5 million euros.

Total revenue is expected to grow from 2023 level. Total revenue in 2023 was 34.3 million euros.

Adjusted EBITDA is expected to be 32-37% of revenue.

Themes affecting revenue and profitability

The company sees significant growth opportunities in its software solutions as well as upsell and cross-selling to existing customers, but the economic downturn in the construction industry causes uncertainty in the development of new sales in 2024 and keeps customer churn high especially due to insolvencies. The company continues to transfer capability from external software development services to its internal use, which also reduces revenues.

The pricing of Admicom Ultima product (formerly Adminet) and accounting services is based on a monthly fee determined by the customer's revenue. Invoicing is reviewed when the customer's actual revenue of the financial year deviates from the forecast. This annual adjustment fee item is typically invoiced five months after the end of the customer's financial year. Due to the decreased customer revenues, we estimate that annual adjustment fees will be approximately EUR 1.5 million in 2024 (EUR 2.3 million in 2023). This change will weaken the company's growth and relative profitability.

Adjustments for adjusted EBITDA are material items outside the normal course of business related to e.g. acquisitions or other one-off transactions.

Stock option programs

Admicom Oyj's Board of Directors decided on 8 December, 2023 on the option plan for key employees based on the authorization decided by the Annual General Meeting held on 21 March, 2023. The stock options are offered to selected key employees of the Admicom Group as part of the Group's incentive and commitment program, and their purpose is to motivate the key employees to work long-term in order to increase the shareholder value of the company.

The maximum total number of stock options is 164,000. The stock options entitle their owners to subscribe for a maximum total of 164,000 Admicom Oyj shares. Each stock option entitles its holder to subscribe for one (1) new share or existing share held by the company. Of the stock options, a maximum of 82,000 are marked with the symbol 2023A and a maximum of 82,000 with the symbol 2023B. The stock options will be issued free-of-charge. The maximum number of shares subscribed with stock options, 164,000 shares, constitutes approximately 3.29 per cent of the company's shares on a fully diluted basis.

In December 2023, 70,000 stock options were allocated under the symbol 2023A. The subscription period for the options is 1 July, 2026 – 1 January, 2029.

Option program	Total amount	Outstanding	Subscription price, eur/ share	Subscription time
2023A	70 000	70 000	36.3	1.7.2026-1.1.2029

No allocations have been made for option program 2023B on the reporting date.

For stock options 2023B, the trade volume weighted average quotation of the Company's Share subject to public trading on a market maintained by Nasdaq Helsinki Ltd, rounded to the nearest cent, during the forty trading days following the publication date (said date excluded) of the company's H1/2024 financial results release. The subscription time is 1 July 2027 – 1 January 2030.

Annual General Meeting

The parent company's Annual General Meeting was held in Jyväskylä on 21 March, 2023. The Annual General Meeting discharged the members of the Board of Directors and the CEO from liability and decided to distribute a dividend of EUR 1.30 per share, which was paid to shareholders on 30 March, 2023.

The Annual General Meeting resolved that the remuneration for the external members of the Board of Directors is EUR 26,000 and EUR 58,000 to the

Report of the board of directors 2023

Chairman of the Board of Directors for the term extending until the next Annual General Meeting. In addition, the Chairman of the Audit Committee will be paid EUR 5,000 and each member of the Audit Committee EUR 2,500 for the term.

The Annual General Meeting resolved that the number of members of the Board of Directors is seven (7). Camilla Skoog and Tomi Lod were appointed as new members of the Board of Directors. Petri Niemi, Henna Mäkinen, Marko Somerma, Olli Nokso-Koivisto and Pasi Aaltola continued as members of the Board of Directors. Petri Niemi was elected Chairman of the Board of Directors by decision of the Annual General Meeting.

The Annual General Meeting elected KPMG Oy Ab as the auditor with APA Anna-Riikka Maunula as responsible auditor.

Authorizations of the Board of Directors

The Annual General Meeting authorized the Board of Directors to decide on the issuance of shares and special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act in one or several instalments, either against payment or free of charge. The Board of Directors may use the authorization for share issues and share-based incentive arrangements associated with incentivizing and promoting the commitment of the personnel and management. The total maximum number of shares to be issued based on the authorization, including shares to be issued based on special rights, is 249,449 shares. The Board of Directors may decide to issue either new shares or transfer any treasury shares held by the company. The authorization is valid until the end of the next Annual General Meeting, however for a maximum of 18 months from the General Meeting's resolution on authorization.

The Annual General Meeting authorized the Board of Directors to decide on the issuance of shares in one or several instalments, either against payment or free of charge. The Board of Directors may use the authorization to finance and enable, for example, corporate or business transactions or other business arrangements and investments. The total maximum number of shares to be issued based on the authorization is 498,898 shares. The Board of Directors may decide to issue either new shares or transfer any treasury shares held by the company. The authorization is valid until the end of the next Annual General Meeting, however for a maximum of 18 months from the General

Meeting's resolution on authorization.

The Annual General Meeting authorized the Board of Directors to decide on the repurchase of the company's own shares using the company's unrestricted equity. The total maximum number of shares to be repurchased based on the authorization is 498,898 shares. The authorization is valid until the end of the next Annual General Meeting, however for a maximum of 18 months from the General Meeting's resolution on authorization.

Share and shareholders December 31, 2023

Information of shares and trading in a share	31.12.2023	31.12.2022
Number of registered shares in the parent company at the end of the period	4 988 985	4 988 985
Issue-adjusted number of registered shares on average during the financial year (excluding own shares)	4 986 465	4 986 465
Shares in the parent company held by the subsidiary Admicom Finland Oy	2 520 (0.05 %)	2 520 (0.05 %)
Shareholders of parent company		
Number of shareholders	6 967	3 725
Holding of the Board of Directors and the Executive Committee	1.35 % (67 345)	1.28 % (63 933)
Largest shareholders:		
- SEB AB (publ.), Helsinki Branch, (nominee-registered)	40.4 % (2 017 857)	40.5 % (2 020 849)
- Matti Häll	21.9 % (1 090 794)	25.9 % (1 293 288)
- Danske Invest Finnish Equity Fund	5.3 % (262 834)	5.5 % (274 408)
Total nominee-registered shareholders	45.0 % (2 244 066)	48.8 % (2 436 216)
Development of Admicom Oyj's share		
Shares traded, pcs	2 023 059	2 033 942
Market value total, eur	79 101 946	118 575 346
High, eur	51.10	85.10
Low, eur	31.45	41.50
Average, eur	40.31	56.78
Close, eur	43.25	46.50

Most significant risks and uncertainties

The main risks and uncertainties in Admicom's business include:

1. The challenging market situation in the construction sector may slow down growth and increase customer churn as bankruptcies and liquidity issues increase. A decrease in the revenues of customer companies may affect the Group's revenue, especially through annual adjustment fees for Admicom Ultima (formerly Adminet). The risk is mitigated by the criticality of Admicom's software even in a difficult market situation and the good scalability of the software. In addition, the risk is mitigated by supporting customers' business operations through training, developing customer service, and by offering customers solutions that improve productivity and cost-efficiency.
2. Technology and cyber security risks are a critical area for cloud software companies. Admicom Group continuously takes measures to detect and prevent technology and information security threats.
3. Data protection and information security risks as well as service failure risks are also intrinsically linked to reputational risk. In order to manage the risk, the company continuously develops its software and the organization's data protection and information security processes, familiarises personnel in data protection and information security matters, and regularly monitors customer satisfaction.
4. The company's employees play a significant role in the company's success. The company is constantly recruiting and growing new talent to prepare for critical attritions. Admicom has also invested in the development of new remuneration systems and leadership.
5. Changes in the competitor field may increase the company's business risks. The number of mergers and acquisitions and the interests of foreign private equity investors and companies in Finnish software companies have increased, which may shape the competitive field. In addition, small, focused software companies have emerged in the industry. Admicom actively monitors changes in the competitive field and takes into account changes in strategy work and business operations.

Report of the board of directors 2023

6. Mergers and acquisitions carried out by Admicom may involve risks that are typical when acquiring or integrating business operations. The Group aims to manage risks by combining operations and expanding its M&A expertise.

Research and development activities

In 2023, Admicom's R&D investments have focused on both the development and launch of new products and the updating and maintenance of software platforms for existing products. During the financial year, the Group launched two new products in the project management unit's product family. Launched in May, Tempo is a tool for scheduling and project management of construction projects, which enables construction companies of all sizes to plan, monitor and manage the progress of project-based work. The new calculation software (Laskenta Pro), launched in September, is the first software on the market aimed at small construction companies that enables the management of the entire calculation process in a single environment.

With regard to existing products, product development has focused especially on improving the degree of automation, further development of applications, improving usability and ensuring software reliability, information security and quality. In addition, during 2023, the Group has invested in improving the efficiency of product development processes and further developing integrations between software.

At the end of 2023, personnel working in the Group's product development and product management accounted for approximately 25% of the Group's total personnel. The total amount of R&D expenses capitalized in the balance sheet in the financial year 2023 was EUR 0.3 million. In addition to the input of its own R&D personnel, the company also used the services of external service providers to a small extent for product development.

Organisation and governance

At the end of the financial year, the Group had 271 employees, of whom 32% worked in accounting services, 26% in R&D, 15% in sales and marketing, 21% in customer success and 6% in administration.

The Group Leadership Team composition in 2023 has been:

- Petri Kairinen, CEO
- Petri Aho, deputy CEO and Chief Development Officer (CDO), M&A and strategy (CFO until 6 July, 2023)
- Katariina Lähdesniemi, interim CFO (7 July - 8 October, 2023)
- Satu Helamo, Chief Financial Officer (CFO, from 9 October, 2023)
- Pekka Pulkkinen, Chief Growth Officer (CGO, from 2 May, 2023)
- Anna-Maija Ijäs, Business Unit Director, ERP solutions
- Thomas Raehalme, Chief Technology Officer (CTO) and Business Unit Director of software development services
- Mikko Järvi, Business Unit Director, Documentation solutions
- Jari Kangassalo, Business Unit Director, Project management solutions

Helena Marjokorpi has been appointed as Head of People Operations and member of the Leadership Team as of 1 January, 2024.

The Chair of the Board of Directors of Admicom Oyj in 2023 has been Petri Niemi, and the members are Pasi Aaltola, Henna Mäkinen, Marko Somerma, Olli Nokso-Koivisto, Camilla Skoog and Tomi Lod.

Henna Mäkinen (Chair), Marko Somerma and Petri Niemi were elected as members of Admicom Oyj's Board of Director's Audit Committee on 21 March 2023.

The Group's auditor is KPMG Oy Ab with APA Anna-Riikka Maunula as the responsible auditor.

The Board of Directors' proposal for dividend

The parent company's distributable funds amount to EUR 26,878,560 and the profit for the financial year is EUR 8,511,835. The Board of Directors of the parent company proposes a dividend of EUR 0,70 per registered share to be paid for the financial year 2023, a total of EUR 3,492,289.50.

There are no material changes in the Company's financial position since the end of the financial year. The company's liquidity is good and, in the view of the Board of Directors, the proposed distribution of profit will not compromise the Company's solvency.

Material events after period end

No material events.

Key figures

Admicom Group	10-12/2023	10-12/2022	Change %	7-12/2023	7-12/2022	Change %	1-12/2023	1-12/2022	Change %
Revenue, EUR 1 000	8 194	8 039	1.9 %	16 696	16 079	3.8 %	34 321	31 615	8.6 %
Comparable organic recurring revenue, EUR 1 000 ¹	7 458	6 990	6.7 %	15 301	14 160	8.1 %	30 293	27 348	10.8 %
% of revenue	91.0 %	86.9 %		91.6 %	88.1 %		88.3 %	86.5 %	
EBITDA, EUR 1 000	2 443	2 948	-17.2 %	6 205	6 775	-8.1 %	12 800	14 115	-9.3 %
% of revenue	29.8 %	36.7 %		37.2 %	42.0 %		37.3 %	44.6 %	
EBITA, EUR 1 000 ²	2 408	2 868	-16.1 %	6 135	6 594	-7.0 %	12 676	13 735	-7.7 %
% of revenue	29.4 %	35.7 %		36.7 %	41.0 %		36.9 %	43.4 %	
Operating profit, EUR 1 000	721	1 790	-59.7 %	3 724	4 715	-21.0 %	8 823	10 811	-18.4 %
% of revenue	8.8 %	22.3 %		22.3 %	29.3 %		25.7 %	34.2 %	
Profit for the period, EUR 1 000	455	1 239	-63.3 %	2 649	3 378	-21.6 %	6 317	7 975	-20.8 %
% of revenue	5.5 %	15.4 %		15.9 %	21.0 %		18.4 %	25.2 %	
Return on equity, %	6.4 %	17.3 %		19.1 %	24.4 %		21.7 %	26.3 %	
Return on invested capital, %	5.8 %	17.0 %		15.3 %	15.1 %		23.2 %	29.2 %	
Equity ratio, %	72.7 %	59.9 %		72.7 %	59.9 %		72.7 %	59.9 %	
Net gearing, %	-19.9 %	-8.3 %		-19.9 %	-8.3 %		-19.9 %	-8.3 %	
Earnings per share, EPS eur	0.09	0.25	-63.3 %	0.53	0.68	-21.6 %	1.27	1.60	-20.8 %
Balance sheet total, 1 000 eur	40 584	49 611		40 584	49 611		40 584	49 611	
Number of employees at the end of the period	271	241		271	241		271	241	
ARR ³ at the end of the period, MEUR	32.5	30.0	8.5 %	32.5	30.0	8.5 %	32.5	30.0	8.5 %
Number of shares at the end of the period, 1 000 pcs	4 986	4 986		4 986	4 986		4 986	4 986	

¹ Comparable organic recurring revenue includes recurring software revenue and revenue from recurring accounting services. PlanMan Oy has merged into Tocoman Oy on 31.12.2022 and is reported as part of organic revenue as of 1.1.2023. The revenue of non-strategic customers in the Industrial vertical and Lakeus have been adjusted out of comparable recurring revenue for the reporting and comparison period.

² Operating profit before amortization of consolidated goodwill and goodwill and impairment.

³ Annual Recurring Revenue = Monthly recurring revenue (MRR) at the end of the period multiplied by 12 and added with revenues from annual adjustment fees and financial statement fees during last twelve months.

Calculations of financial ratios

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

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

$$\text{EBITA, \% of revenue} = \frac{\text{Operating profit} + \text{depreciation of company goodwill} + \text{depreciation of goodwill} + \text{amortisation of goodwill}}{\text{Revenue}} \times 100$$

$$\text{Return on equity, \%} = \frac{\text{Operating profit before appropriations and taxes} - \text{income tax}}{\text{Equity on average} + \text{minority interest on average}} \times 100$$

$$\text{Return on investement, \%} = \frac{\text{Operating profit before appropriations and taxes} + \text{net financing expenses}}{\text{Total assets on average} - \text{non-interest-bearing liabilities on average}} \times 100$$

$$\text{Equity ratio, \%} = \frac{\text{Equity} + \text{minority interest}}{\text{Balance sheet total} - \text{advance payments received}} \times 100$$

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

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

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

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

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

$$\text{Equity per share} = \frac{\text{Equity at the end of the period}}{\text{Number of shares at the end of the period}}$$

Financial statements

Group consolidated financial statements

Income statement, group (FAS)

	1.1. - 31.12.2023	1.1. - 31.12.2022
REVENUE	34 320 999	31 614 995
Other operating income	18 336	10 637
Materials and services		
Purchases during the financial year	-368 327	-535 113
Change in inventories	755	-376
External services	-1 195 354	-955 511
Total materials and services	-1 562 926	-1 491 000
Personnel expenses		
Wages and salaries	-12 393 539	-10 173 516
Social security expenses		
Pension expenses	-2 151 861	-1 709 896
Other social security expenses	-397 566	-294 146
Total personnel expenses	-14 942 965	-12 177 558
Depreciation and amortisation		
Depreciation and amortisation according to plan	-158 293	-440 465
Consolidated goodwill amortisation	-3 822 047	-2 429 128
Consolidated goodwill depreciation	4 006	10 820
Depreciation of non-current assets		-444 810
Total Depreciation and amortisation	-3 976 334	-3 303 582
Other operating expenses	-5 033 746	-3 842 422
OPERATING PROFIT (LOSS)	8 823 363	10 811 071
Financial income and expenses		
Other interest and financial income	18 880	5 527
Interest expenses and other financial expenses	-213 500	-194 532
PROFIT BEFORE TAXES	8 628 743	10 622 066
Income taxes	-2 254 955	-2 593 946
Minority interests	-56 856	-52 884
PROFIT FOR THE FINANCIAL YEAR	6 316 932	7 975 236

Balance sheet, group (FAS)

	31.12.2023	31.12.2022
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Capitalised development costs	451 192	170 766
Intangible rights	5 486	11 398
Goodwill	25 008	60 000
Group goodwill	26 772 667	30 594 714
Advance payments	16 464	
Total intangible assets	27 270 816	30 836 878
Tangible assets		
Machinery and equipment	143 667	191 555
Total tangible assets	143 667	191 555
Investments		
Other shares and holdings	2 540	2 540
Total investments	2 540	2 540
TOTAL NON-CURRENT ASSETS	27 417 023	31 030 973
CURRENT ASSETS		
Inventories		
Materials and supplies	15 367	14 612
Total inventories	15 367	14 612
Long-term receivables		
Other receivables	21 241	21 241
Total long-term receivables	21 241	21 241
Short-term receivables		
Accounts receivable	2 725 909	2 692 309
Other receivables	114 999	120 711
Prepayments and accrued income	367 707	199 686
Total short-term receivables	3 208 615	3 012 706
Cash and cash equivalents		
Cash and cash equivalents	9 921 627	15 531 601
TOTAL CURRENT ASSETS	13 166 850	18 580 160
TOTAL ASSETS	40 583 873	49 611 133

	31.12.2023	31.12.2022
EQUITY AND LIABILITIES		
EQUITY		
Share capital	106 000	106 000
Reserve for invested unrestricted equity	15 308 298	15 308 298
Retained earnings	7 501 242	6 008 410
Profit for the financial year	6 316 932	7 975 236
TOTAL EQUITY	29 232 472	29 397 944
MINORITY INTERESTS	88 664	147 476
LIABILITIES		
Non-current liabilities		
Loans from financial institutions	4 073 000	13 080 566
Other liabilities	500 000	500 000
Total non-current liabilities	4 573 000	13 580 566
Current liabilities		
Loans from financial institutions	7 566	7 565
Received advances	241 640	259 767
Accounts payable	574 194	322 517
Other liabilities	1 305 881	1 189 306
Accruals and deferred income	4 560 457	4 705 993
Total current liabilities	6 689 737	6 485 148
TOTAL LIABILITIES	11 262 737	20 065 714
TOTAL EQUITY AND LIABILITIES	40 583 873	49 611 133

Cash flow statement, group

	1.1.-31.12.2023	1.1.-31.12.2022
Cash flow from operating activities:		
Profit before taxes	8 628 743	10 622 066
Adjustments:		
Depreciation and amortisation	3 976 334	3 303 582
Financial income and expenses	194 621	189 005
Other adjustments		5 000
Cash flow before changes in working capital	12 799 697	14 119 653
Change in working capital:		
Increase (-) / decrease (+) in short-term non-interest-bearing receivables	-194 673	282 859
Increase (-) / decrease (+) in inventories	-755	376
Increase (+) / decrease (-) in short-term non-interest-bearing liabilities	436 253	989 508
Cash flow from operating activities before financial items and taxes	13 040 522	15 392 395
Interest and fees paid on other business financial expenses	-223 143	-136 459
Interests received	16 038	5 527
Income taxes paid	-2 482 936	-4 064 453
Cash flow from operating activities (A)	10 350 482	11 197 010
Cash flow from investing activities:		
Investments to tangible and intangible assets	-366 390	-8 310
Acquisition of the subsidiary, net of cash	-1 344	-16 776 773
Divested businesses		37 319
Cash flow from investing activities (B)	-367 734	-16 747 764
Cash flow from financing activities:		
Proceeds from non-current liabilities		13 000 000
Repayments of non-current liabilities	-9 000 000	
Paid dividends and other profit distribution	-6 592 722	-9 972 930
Cash flow from financing activities (C)	-15 592 722	3 027 070
Change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)	-5 609 975	-2 523 684
Cash and cash equivalents at the beginning of the financial year	15 531 601	18 055 285
Cash and cash equivalents at the end of the financial year	9 921 627	15 531 601
Change in cash and cash equivalents	-5 609 975	-2 523 684

Notes relating to group consolidated financial statements

Accounting principles for group consolidated financial statements

The group consolidated financial statements have been prepared in accordance with Finnish Accounting Standards (FAS).

Intra-group transactions, mutual receivables and liabilities as well as internal profit distribution have been eliminated.

The group consolidated financial statements have been prepared using the acquisition cost method. The price paid for the subsidiary's shares in excess of equity is presented as consolidated goodwill, which is scheduled to be amortized over five to ten years.

The minority interest is separated from the Group's equity and profit and is presented as a separate item in the consolidated balance sheet and income statement.

Group structure

There were no changes in the group structure during 2023.

The Group balance sheet includes EUR 500,000 earnout liability from the acquisition of Planman Oy in 2022. The liability is contingent to continuation of the acquired business and securing the development of the acquired product, and is due for payment on 31 May 2025. The earnout is included in the other long term liabilities.

At the end of the financial year, a change was made to the amortisation period of the consolidated goodwill generated in the acquisition of Kotopro on 17 June 2022, shortening the amortisation period from 20 to 10 years. As a result, additional amortization of EUR 963,771 was recognized in 2023. The change is technical and does not impact Kotopro's future expectations. The acquisition impacts the comparability of the Group's financial information between 2023 and 2022. Kotopro's impact on the Group's combined revenue for 2022 was EUR 1,205,700 and on the net sales for 2023 EUR 2,499,999.

Subsidiaries	Holding %
Admicom Finland Oy, Jyväskylä	100
Tocoman Oy, Helsinki	100
Aitio Finland Oy, Jyväskylä	86.31
Hillava Oy, Jyväskylä	100
Kotopro Oy, Helsinki	100

Notes relating to group consolidated financial statements

Valuation principles and methods

Fixed assets have been valued into the acquisition cost with depreciations according to the plan.

Sales receivables, outstanding loans and other receivables have been valued to their nominal value or a lower probable value.

Debts have been valued to their nominal value.

Methods for depreciation and amortisation according to plan

The acquisition cost of the company's non-current assets will be eliminated in accordance with a pre-prepared plan. Assets with a probable economic life of less than three years and small acquisitions are recognised in full as an expense for the acquisition account period. Amortisation period of the goodwill generated in acquisitions of Kotopro Holding Oy and Koropro Oy was adjusted from 20 to 10 years in the end of the financial year.

Asset	Depreciation	Method
Intangible rights	5 y	Straight-line depreciation
Other intangible assets	3 y	Straight-line depreciation
Development costs	5-10 y	Straight-line depreciation
Goodwill	5 y	Straight-line depreciation
Consolidated goodwill	5-10 y	Straight-line depreciation
Machinery and equipment	25 %	Declining-balance depreciation

Revenue accrual principles

A company's recurrent invoicing will be entered as income on a monthly basis based on contracts in effect.

Contractual charges contain a balancing component that is based on the actual revenue of customer companies over their accounting periods. Before the financial statements of customer companies have been completed, estimating the size of this batch contains substantive uncertainty, as a result of which the balancing invoices will only be recorded as the company's income on a prudent basis only after the financial statements of the customer companies are completed and the balancing sum is actually invoiced/ compensated. The share of balancing invoices was EUR 2,342,457 of the company's revenue over the accounting period of 2023, and EUR 1,587,798 over the accounting period of 2022.

Notes to non-current assets on balance sheet

Intangible and tangible assets

Group	Development costs	Intangible rights	Prepayments	Goodwill	Machinery and equipment	Consolidated goodwill	Total
Book value 31.12.2022	170 766	11 398		60 000	191 555	30 594 714	31 028 433
Additions	349 927		16 464				366 390
Acquisition cost 31.12.2023	520 692	11 398	16 464	60 000	191 555	30 594 714	31 394 823
Accumulated depreciation 1.1.2023	-1 941 938	-1 166 831		-184 191	-525 892	-4 630 468	-8 449 321
Accumulated amortisation 1.1.2023		-75 475		-369 334			-444 810
Depreciation during the financial year	-69 500	-5 912		-34 992	-47 889	-3 822 047	-3 980 340
Accumulated depreciation 31.12.2023	-2 011 439	-1 248 218		-588 517	-573 781	-8 452 515	-12 874 470
Book value 31.12.2023	451 192	5 486	16 464	25 008	143 666	26 772 667	27 414 483

Notes relating to group consolidated financial statements

Goodwill

In December 2022, a strategic change was made to the Lakeus accounting firm business, in which the company abandoned customer relationships using third-party financial management systems and focused on customers using Adminet software. In connection with the change, a goodwill of the Lakeus business in the financial year 2022 was written down by EUR 369,334.

Development costs

Development costs consist of development costs related to products developed for the commercial use of the Group's software. Increase in development costs, EUR 349,927, is due to R&D capitalization in Tocoman Oy. It is estimated, that capitalized development costs will generate income for at least five years. The amortisation of the development costs runs until 30 June, 2028.

Material items of prepayments and accrued income

	2023	2022
Prepaid expenses	224 426	111 886
Income tax receivables	143 281	87 800
Total	367 707	199 686

Notes to liabilities on the balance sheet

Changes in equity

	2022	2021
EQUITY		
Share capital at the beginning of the financial year	106 000	106 000
Total share capital	106 000	106 000
Total restricted equity	106 000	106 000
Reserve for invested non-restricted equity at the beginning of the financial year	15 308 298	17 801 530
Equity repayment to shareholders		-2 493 233
Total unrestricted equity reserve	15 308 298	15 308 298
Retained earnings/losses	13 983 646	13 488 108
Dividend distribution during the financial year	-6 482 405	-7 479 698
Total retained earnings/losses	7 501 242	6 008 410
Profit for the financial year	6 316 932	7 975 236
Total non-restricted equity	29 126 472	29 291 944
TOTAL EQUITY	29 232 472	29 397 944
Minority interests	88 664	147 476

Stock option programs

Admicom Oyj's Board of Directors decided on 8 December, 2023 on the option plan for key employees based on authorization decided by the Annual General Meeting held on 21 March, 2023. More detailed information regarding the terms of the option program is presented in the parent company's notes to the financial statements.

Notes relating to group consolidated financial statements

Material items of accrued liabilities

	2022	2021
Personnel expenses	2 469 762	2 487 363
Expense accruals	184 536	189 124
Income tax liabilities		149 609
Preliminary invoicing	1 906 159	1 879 896
Total	4 560 457	4 705 993

Notes to income statement

Other operating expenses

	2023	2022
Rent of business premises	1 149 776	891 889
Other administrative services	908 649	601 274
Advertising and marketing	695 909	520 669
Staff training	220 822	163 543
Purchases of machinery and equipment	635 187	138 867
Other operating expenses	1 423 403	1 526 178
Total (VAT 0 %)	5 033 746	3 842 422

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

Rental security deposits for business premises

	2023	2022
Rental deposit accounts	60 692	65 580
Total (VAT 0 %)	60 692	65 580

Off-balance sheet rental liabilities for business premises

	2023	2022
Payable the next financial year	825 900	718 315
Payable later	1 526 564	1 977 783
Total (VAT 0 %)	2 352 464	2 696 098

Guarantees on behalf of group companies

	2023	2022
Rental guarantees	55 082	55 082

Pension commitments

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

Leasing commitments

	2023	2022
Payable the next financial year	27 861	20 276
Payable later	37 754	41 586
Total (VAT 0 %)	65 616	61 861

Notes relating to group consolidated financial statements

Guarantees in rem

	2023	2022
Vehicle mortgages	7 566	15 131
Total (VAT 0 %)	7 566	15 131

Company guaranteed liabilities

	2023	2022
Loans from financial institutions	4 000 000	13 000 000
Business mortgages	19 500 000	19 500 000

Admicom Oyj withdrew a loan of EUR 13,000,000 on 17 June, 2023 to finance the acquisition of Kotopro. The loan is due for payment in 2025. A repayment of EUR 9,000,000 was made in June. Remaining balance of the loan on the reporting date is EUR 4,000,000. The company has no debt maturing later than five years.

Notes to Auditor's fees

Fees paid to the audit firm of the company

	2023	2022
Audit fees	46 584	33 850
Other services	70 000	
Statutory auditor's opinions		3 820
Total (VAT 0 %)	116 584	37 670

Related party transactions

Admicom Oyj has granted a loan to Tocoman Oy, a company belonging to the Group. The total amount of the loan is EUR 3,000,000, the annual interest rate is 3 %, and the loan is due for payment 48 months after the withdrawal.

Subsidiary Admicom Finland Oy has granted a loan to parent company Admicom Oyj. The total amount of the loan is EUR 6,000,000. The interest rate on the loan is 5%. The loan period is 12 months and can be extended in 3-month periods with the consent of Admicom Oyj, provided that a written agreement is made before the end of the loan period.

Notes to personnel and members of institutions

Number of employees on average during the financial year

	2023	2022
Number of employees on average	263	235

Management compensation

	2023	2022
CEO and the board of directors	407 535	260 984

For the financial period 11. – 31.12.2023, the company paid board member compensation to seven (7) persons.

Relevant events after the ending of the reporting period

No material events.

Financial statements, parent company

Income statement, parent company (FAS)

	1.1. - 31.12.2023	1.1. - 31.12.2022
REVENUE	2 318 423	307 232
Other operating income	15 000	
Personnel expenses		
Wages and salaries	-1 406 281	-522 186
Social security expenses		
Pension expenses	-198 241	-55 571
Other social security expenses	-39 771	-9 763
Total personnel expenses	-1 644 293	-587 519
Depreciation and amortisation according to plan	-896 610	
Other operating expenses	-890 698	-381 249
OPERATING PROFIT/LOSS	-1 098 178	-661 537
Financial income and expenses		
Income from shares in group companies	9 408 621	9 093 455
Interest and financial income from group companies	91 250	69 683
Other interest and financial income	501	53
Interest and financial expenses to group companies	-167 500	-36 792
Interest expenses and other financial expenses	-211 165	-173 288
PROFIT BEFORE APPROPRIATIONS AND TAXES	8 023 528	8 291 575
Appropriations		
Group contributions received	485 675	807 199
Income taxes	2 632	
PROFIT FOR THE FINANCIAL YEAR	8 511 835	9 098 774

Balance sheet, parent company (FAS)

	31.12.2023	31.12.2022
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Merger assets	8 069 489	8 966 099
Advance payments	16 464	
Total intangible assets	8 085 953	8 966 099
Investments		
Shares in group companies	24 326 631	24 325 288
Total investments	24 326 631	24 325 288
TOTAL NON-CURRENT ASSETS	32 412 584	33 291 387
CURRENT ASSETS		
Non-current receivables		
Receivables from group companies	3 000 000	3 000 000
Total non-current receivables	3 000 000	3 000 000
Current receivables		
Receivables from group companies	485 675	807 199
Other receivables		49 008
Prepayments and accrued income	43 619	9 781
Total current receivables	529 294	865 988
Cash and cash equivalents		
Cash and cash equivalents	1 953 982	1 058 534
TOTAL CURRENT ASSETS	5 483 275	4 924 522
TOTAL ASSETS	37 895 859	38 215 909

	31.12.2023	31.12.2022
EQUITY AND LIABILITIES		
EQUITY		
Share capital	106 000	106 000
Reserve for invested unrestricted equity	15 306 937	15 306 937
Retained earnings	3 059 787	446 694
Profit for the financial year	8 511 835	9 098 774
TOTAL EQUITY	26 984 560	24 958 405
LIABILITIES		
Non-current liabilities		
Loans from financial institutions	4 000 000	13 000 000
Total non-current liabilities	4 000 000	13 000 000
Current liabilities		
Accounts payable	223 564	40 755
Payables to group companies	6 000 000	
Other liabilities	321 677	26 731
Accruals	366 059	190 018
Total current liabilities	6 911 299	257 504
TOTAL LIABILITIES	10 911 299	13 257 504
TOTAL EQUITY AND LIABILITIES	37 895 859	38 215 909

Cash flow statement, parent company

	1.1. - 31.12.2023	1.1. - 31.12.2022
Cash flow from operating activities:		
Profit before appropriations and taxes	8 023 528	8 291 575
Adjustments:		
Depreciation and amortisation	896 610	
Financial income and expenses	-9 121 707	-8 953 112
Cash flow before changes in working capital	-201 568	-661 537
Changes in working capital:		
Increase (-) / decrease (+) in short-term non-interest-bearing receivables	13 564	38 196
Increase (+) / decrease (-) in short-term non-interest-bearing liabilities	663 438	-11 696
Cash flow from operating activities before financial items and taxes	475 434	-635 036
Interest and fees paid on other business financial expenses	-388 308	-152 007
Interests received	91 751	69 736
Tax refunds received	4 238	
Cash flow from operating activities (A)	183 115	-717 307
Cash flow from investing activities:		
Investments to tangible and intangible assets	-16 464	
Acquisition of a subsidiary	-1 344	-12 926 663
Loans granted		-4 800 000
Repayment of loan receivables		1 800 000
Dividends received from investments	9 408 621	9 093 455
Cash flow from investing activities (B)	9 390 814	-6 833 208
Cash flow from financing activities:		
Repayment of current loans		-2 900 000
Proceeds from non-current liabilities	6 000 000	13 000 000
Repayment of non-current loans	-9 000 000	
Paid dividends and other profit distribution	-6 485 681	-9 977 970
Received group contributions, which have been paid	807 199	500 000
Cash flow from financing activities (C)	-8 678 482	622 030
Change in cash and cash equivalents (A+B+C) increase (+)/decrease (-)	895 447	-6 928 485
Cash and cash equivalents at the beginning of the financial year	1 058 534	7 984 886
Cash and cash equivalents from the corporate arrangements		2 134
Cash and cash equivalents at the end of the financial year	1 953 982	1 058 534
Change in cash and cash equivalents	895 447	-6 928 485

Notes relating to parent company

Accounting principles for financial statements

Valuation principles and methods

Fixed assets have been valued into the acquisition cost with depreciations according to the plan.

Sales receivables, outstanding loans and other receivables have been valued to their nominal value or a lower probable value.

Debts have been valued to their nominal value.

	Depreciation	Method
Merger assets	10 y	Straight-line depreciation
Other intangible assets	3 y	Straight-line depreciation

Kotopro Holding Oy merged with Admicom Oy on December 31, 2022.

The merger loss resulting from the merger has been recognised as goodwill of intangible assets on the balance sheet and will be amortised on a straight-line basis over its estimated useful life over ten years from 2023 onwards.

Notes to the assets on the balance sheet

Group companies

Subsidiaries	Holding %
Admicom Finland Oy, Jyväskylä	100
Tocoman Oy, Helsinki	100
Aitio Finland Oy, Jyväskylä	86.31
Hillava Oy, Jyväskylä	100
Kotopro Oy, Helsinki	100

Material items of prepayments and accrued income

	2023	2022
Prepaid expenses	43 619	9 781
Total	43 619	9 781

Receivables from group companies

	2023	2022
Group loan receivables	3 000 000	3 000 000
Group contributions received	485 675	807 199
Total	3 485 675	3 807 199

Notes to the liabilities on the balance sheet

Changes in equity

	2023	2022
EQUITY		
Share capital at the beginning of the financial year	106 000	106 000
Total share capital	106 000	106 000
Total restricted equity	106 000	106 000
Reserve for invested non-restricted equity at the beginning of the financial year	15 306 937	17 801 430
Equity repayment to shareholders		-2 494 493
Total unrestricted equity reserve	15 306 937	15 306 937
Retained earnings/losses	9 545 468	7 930 171
Dividend distribution during the financial year	-6 485 681	-7 483 478
Total retained earnings/losses	3 059 787	446 694
Profit for the financial year	8 511 835	9 098 774
Total non-restricted equity	26 878 560	24 852 405
TOTAL EQUITY	26 984 560	24 958 405

Notes relating to parent company

Distributable non-restricted equity

	2023	2022
Reserve of invested non-restricted equity	15 306 937	15 306 937
Retained earnings/losses	3 059 787	446 694
Profit for the financial year	8 511 835	9 098 774
Total	26 878 560	24 852 405

Material items of accrued liabilities

	2023	2022
Personnel expenses	317 629	126 945
Expense accruals	48 430	63 072
Total	366 059	190 018

Payables to group companies

	2023	2022
Short-term payables		
Other payables	6 000 000	
Total	6 000 000	

Other operating expenses

	2023	2022
Other administrative services	408 075	275 011
Other operating expenses	482 623	106 238
Total	890 698	381 249

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

Guarantees on behalf on group companies

	2023	2022
Rental guarantees	55 082	55 082

Pension commitments

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

Leasing commitments

	2023	2022
Payable the next financial year	1 380	
Payable later	1 035	
Total (VAT 0 %)	2 415	

Company guaranteed liabilities

	2023	2022
Loans from financial institutions	4 000 000	13 000 000
Business mortgages	19 500 000	19 500 000

The company has no debt maturing later than five years.

Notes relating to parent company

Notes to Auditor 's fees

	2023	2022
Audit fees	24 039	18 500
Other services	70 000	
Statutory auditor 's opinions		1 400
Total (VAT 0 %)	94 039	19 900

Related party transactions

Admicom Oyj has granted a loan to Tocoman Oy, a company belonging to the Group. The total amount of the loan is EUR 3,000,000, the annual interest rate is 3 %, and the loan is due for payment 48 months after the withdrawal.

Subsidiary Admicom Finland Oy has granted a loan to parent company Admicom Oyj. The total amount of the loan is EUR 6,000,000. The interest rate on the loan is 5%. The loan period is 12 months and can be extended in 3-month periods with the consent of Admicom Oyj, provided that a written agreement is made before the end of the loan period.

Notes to personnel and members of institutions

Number of employees during the financial period

	2023	2022
Number of employees on average	20	4

Management compensation

	2023	2022
CEO and the board of directors	407 535	260 984

For the financial period 1.1. – 31.12.2023, the company paid board member compensation to seven (7) persons.

Company's shares

The Company has 4,988,985 shares.

Admicom Finland Oy holds 2,520 shares of Admicom Oyj.

Stock option programs

Admicom Oyj's Board of Directors decided on 8 December, 2023 on the option plan for key employees based on the authorization decided by the Annual General Meeting held on 21 March, 2023. The stock options are offered to selected key employees of the Admicom Group as part of the Group's incentive and commitment program, and their purpose is to motivate the key employees to work long-term in order to increase the shareholder value of the company.

The maximum total number of stock options is 164,000. The stock options entitle their owners to subscribe for a maximum total of 164,000 Admicom Oyj shares. Each stock option entitles its holder to subscribe for one (1) new share or existing share held by the company. Of the stock options, a maximum of 82,000 are marked with the symbol 2023A and a maximum of 82,000 with the symbol 2023B. The stock options will be issued free-of-charge. The maximum number of shares subscribed with stock options, 164,000 shares, constitutes approximately 3.29 per cent of the company's shares on a fully diluted basis.

In December 2023, 70,000 stock options were allocated under the symbol 2023A. The subscription period for the options is 1 July, 2026 – 1 January, 2029.

Option program	Total amount	Outstanding	Subscription price, eur/share	Subscription time
2023A	70 000	70 000	36,3	1.7.2026-11.2029

No allocations have been made for option program 2023B on the reporting date.

For stock options 2023B, the trade volume weighted average quotation of the Company's Share subject to public trading on a market maintained by Nasdaq Helsinki Ltd, rounded to the nearest cent, during the fourty trading days following the publication date (said date excluded) of the company's H1/2024 financial results release.

Accounting materials

List of accounting books

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

Journal types

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

Storage of accounting material

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

Signatures to reports of the board of directors and the financial statements

Jyväskylä, January 18, 2024

Petri Niemi
Chairman of the board of directors

Petri Kairinen
CEO

Pasi Aaltola
Member of the board of directors

Henna Mäkinen
Member of the board of directors

Marko Somerma
Member of the board of directors

Olli Nokso-Koivisto
Member of the board of directors

Camilla Skoog
Member of the board of directors

Tomi Lod
Member of the board of directors

Auditor's note

An auditor's report has been issued today.

Jyväskylä, January 18, 2024

KPMG Oy Ab
Audit firm

Anna-Riikka Maunula
APA

Auditor's report

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

To the Annual General Meeting of Admicom Oyj

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Admicom Oyj (business identity code 2800085-4) for the year ended 31 December, 2023. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accor-

dance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for

one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditor's report

Other Reporting Requirements

Other Information

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

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

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

Jyväskylä, 18 January 2024
KPMG OY AB

ANNA-RIIKKA MAUNULA

Authorised Public Accountant, KHT

Governance

Leadership Team



PETRI KAIRINEN
CEO
b. 1977
M.Sc. (Economics)



SATU HELAMO
CFO
b. 1983
M.Sc. (Accounting and Finance)



PETRI AHO
Chief Development Officer
b. 1977
M.Sc. (Finance and economics)



ANNA-MAIJA IJÄS
Business Unit Director
ERP solution
b. 1984
eMBA (2019-)
QB (Financial administration)



JARI KANGASSALO
Business Unit Director
Project management solutions
b. 1985
M.Sc. (Industrial Engineering and Management)



MIKKO JÄRVI
Business Unit Director
Documentation solutions
b. 1983
B.Sc. (Technology)



THOMAS RAEHALME
Business Unit Director
Software development services,
Director of Product Development
b. 1978
B.Sc. (Computer Science)



PEKKA PULKKINEN
Chief Growth Officer
b. 1979
M.Sc. (Economics)

Governance

The Board of Directors



PETRI NIEMI

Chairman of the board
b. 1961
M.Sc. (Physics)



HENNA MÄKINEN

Member of the board
b. 1981
M.Sc. (Econ), LL. M



PASI AALTOLA

Member of the board
b. 1976
PhD (Econ)



MARKO SOMERMA

Member of the board
b. 1966
Lic.Sc. (Tech.)



OLLI NOKSO-KOIVISTO

Member of the board
b. 1984
Ug of science



CAMILLA SKOOG

Member of the board
b. 1973
Studied systems science and
economics at Linnaeus University



TOMI LOD

Member of the board
b. 1962
B.A. (Mathematics)



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