

# Half-year Financial Report 2025

The Group's net sales increased and the Easor brand was launched for the Software business

1 Jan to 30 Jun 2025 (unaudited)



# Half-year Financial Report 2025:

The Group's net sales increased and the Easor brand was launched for the Software business

## January–June 2025 in brief

- Net sales EUR 70.7 million (68.0), growth 3.9% (6.7)
- Comparable net sales EUR 69.2 (68.0) million, growth 1.7% (6.7)
- EBITDA EUR 20.4 million (19.7), 28.8% (29.0) of net sales
- Comparable EBITDA EUR 19.3 (18.9) million, 27.9% (27.8) of net sales
- Operating profit (EBIT) EUR 8.2 million (8.4), 11.6% (12.3) of net sales
- Comparable EBIT EUR 7.1 (7.5) million, 10.3% (11.0) of net sales
- Net profit EUR 4.8 million (4.7)
- Earnings per share EUR 0.11 (0.10)

## April–June 2025 in brief

- Net sales EUR 34.9 million (33.9), growth 3.1% (4.5)
- Comparable net sales EUR 34.9 (33.9) million, growth 3.1% (4.5)
- EBITDA EUR 9.7 million (10.3), 27.8% (30.3) of net sales
- Comparable EBITDA EUR 9.8 (9.7) million, 28.0% (28.5) of net sales
- Operating profit (EBIT) EUR 3.5 million (4.5), 10.1% (13.3) of net sales
- Comparable EBIT EUR 3.6 (3.9) million, 10.3% (11.5) of net sales
- Net profit EUR 2.3 million (2.7)
- Earnings per share EUR 0.05 (0.06)

## Reported key figures

Group	1–6/2025	1–6/2024	Change, %	4–6/2025	4–6/2024	Change, %
Net sales, EUR 1,000	70,655	67,971	3.9%	34,937	33,876	3.1%
Net sales, growth %	3.9%	6.7%		3.1%	4.5%	
EBITDA, EUR 1,000	20,379	19,741	3.2%	9,710	10,253	-5.3%
EBITDA of net sales, %	28.8%	29.0%		27.8%	30.3%	
Operating profit (EBIT), EUR 1,000	8,210	8,356	-1.7%	3,536	4,501	-21.4%
Operating profit (EBIT), as % of net sales	11.6%	12.3%		10.1%	13.3%	
Return on investment (ROI), % (rolling 12 months)	7.2%	6.5%	12.0%			
Cash flow from operations, EUR 1,000	17,462	18,157	-3.8%			
Interest-bearing net liabilities, EUR 1,000	92,507	83,899	10.3%			
Net gearing ratio, %	167.3%	160.1%	4.5%			
Equity ratio, %	29.5%	28.7%	2.8%			
Net investments, EUR 1,000	10,420	13,125	-20.6%	6,007	4,767	26.0%
Liquid assets, EUR 1,000	11,802	12,314	-4.2%	11,802	12,314	-4.2%
Earnings per share, EUR	0.11	0.10	2.4%	0.05	0.06	-13.5%
Weighted average number of shares during the period	45,477,972	45,467,837	0.0%	45,477,972	45,477,972	0.0%
Net profit, EUR 1,000	4,805	4,692	2.4%	2,299	2,657	-13.5%

## Comparable key figures

	1-6/2025	1-6/2024	Change, %	4-6/2025	4-6/2024	Change, %
Net sales, EUR 1,000	69,155	67,971	1.7%	34,937	33,876	3.1%
Net sales, growth %	1.7%	6.7%		3.1%	4.5%	
EBITDA, EUR 1,000	19,263	18,874	2.1%	9,771	9,654	1.2%
EBITDA of net sales, %	27.9%	27.8%		28.0%	28.5%	
Operating profit (EBIT), EUR 1,000	7,094	7,489	-5.3%	3,597	3,902	-7.8%
Operating profit (EBIT), as % of net sales	10.3%	11.0%		10.3%	11.5%	

The comparable key figures exclude a one-off increase of EUR 1.5 million in January-June net sales due to a change in the net sales recognition policy. In January-June, a EUR 0.4 million expense related to additional purchase prices from acquisitions and a EUR 0.9 million income recognition in the comparison period have also been deducted from EBITDA and operating profit.

## Guidance for 2025 unchanged

Talenom estimates that 2025 net sales will be around EUR 130–140 million and EBITDA around EUR 36–42 million.

## CEO Otto-Pekka Huhtala

The Group's comparable net sales for the second quarter amounted to EUR 34.9 million (33.9), growing by 3.1% (4.5). The net sales of the Accounting business were EUR 29.6 million and net sales of the continuously billed Software business were EUR 5.3 million. Comparable net sales in the first half of the year were EUR 69.2 million (68.0) and growth was 1.7% (6.7). The net sales of the Accounting business were EUR 58.5 million and comparable net sales of the continuously billed Software business were EUR 10.7 million. The Finnish and Spanish businesses saw good organic growth, while Sweden weighed on the Group's overall growth rate.

In Finland, the decline in our customers' transaction volumes appears to have stopped, although business closures and bankruptcies have remained elevated. Thanks to successful new customer acquisition in 2024, net sales in Finland grew by approximately 4.6% (-3.6) in the second quarter, whereas in 2024, net sales still contracted. We estimate that there has been a cautious turn for the better in the volumes and growth of the Finnish business.

Sweden's net sales decreased, especially as a result of customer churn in 2024. In Sweden, efforts to turn net sales growth around have progressed, and this is our main priority in the near future. We saw the trend turning for the better in new sales and customer churn. ONE Talenom operating methods, processes and the introduction of our software are progressing systematically. We estimate that the combined effects of the measures will improve comparable profitability towards the end of the year.

Organic growth in Spain strengthened, and to accelerate growth, we made an acquisition at the beginning of April. In addition to our own active sales efforts, the transition to e-invoicing is the most significant individual legislative requirement to adopt digital solutions, which drives future customer demand. The required software features for the standard confirmed in the spring are on schedule for completion. We also continued to roll out our software to our customers to facilitate their business management and prepare them for the e-invoicing transition.

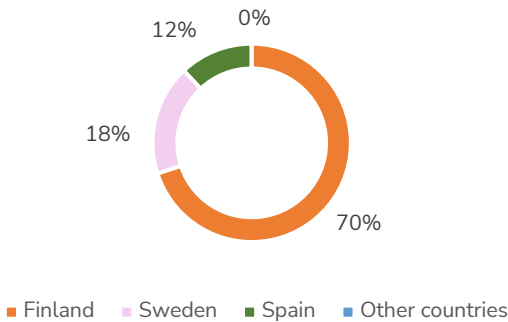
In the fall of 2024, we announced a strategy update in which we decided to start selling our software to other accounting firms as well. The strategy work has progressed with the separation of business operations at the beginning of the year and the launch of the Software business's own Easor brand. We finalized independent growth strategies for both businesses, in line with the previously communicated long-term financial targets, based on their respective strengths – caring accounting services and easy entrepreneurship with our software. Talenom's Accounting business aims for over 10% annual revenue growth in the long term, and Easor's Software business aims for over 20% annual revenue growth.

The Group's profitability was at a good level. The comparable EBITDA for the second quarter was EUR 9.8 million (9.7) and the comparable operating profit was EUR 3.6 million (3.9). Relative profitability weakened a bit, mainly due to growth investments in Finland. The Accounting business' comparable EBITDA was EUR 6.1 million and the Software business' comparable EBITDA was EUR 3.6 million. The good development in Spain had a positive impact on profitability. Operating profit development was hampered by increased depreciation. The level of investment in own software decreased by approximately EUR 1.2 million in the second quarter compared to the reference period. The lower investment level is visible as improved cash flow.

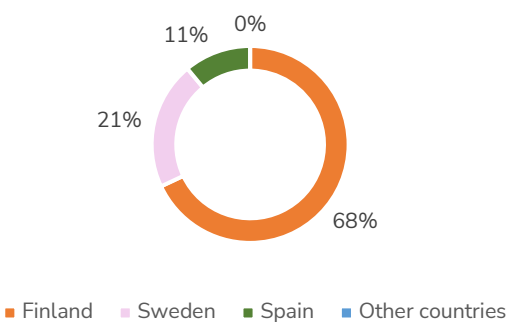
Our growth prospects have strengthened as the strategy implementation progresses. We move forward with two solid pillars, software and accounting services, leveraging our expertise in the market's digital transformation.

Group's financial performance January-June 2025

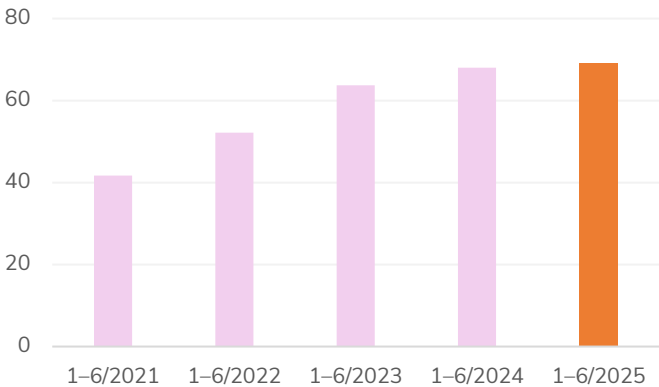
Comparable net sales by country  
1-6/2025



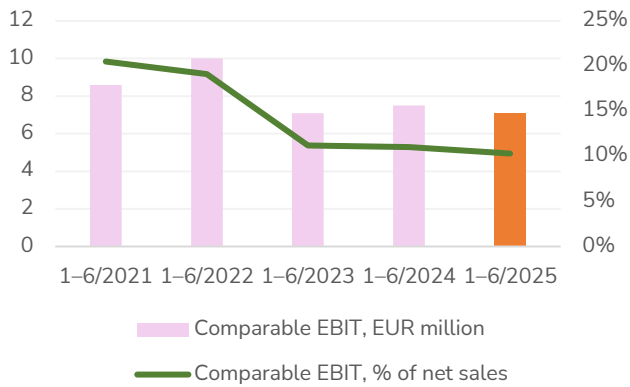
Comparable net sales by country  
1-6/2024



Comparable net sales (EUR million)



Comparable EBIT



Comparable net sales grew by 1.7% to EUR 69.2 million (68.0). Growth was driven by successful new customer acquisition in Finland and Spain, supported by an acquisition in Spain at the beginning of April. The development in Sweden slowed down net sales growth, with net sales there remaining below the comparison period.

Personnel costs amounted to EUR 39.5 million (39.8), representing 55.9% (58.5) of net sales. Other operating expenses, including materials and services, totalled EUR 10.8 million (9.7) or 15.3% (14.2) of net sales.

Comparable EBITDA increased by 2.1% and amounted to EUR 19.3 million (18.9), representing 27.9% (27.8) of net sales. Comparable operating profit decreased by -5.3% and amounted to EUR 7.1 million (7.5) or 10.3% (11.0) of net sales. The good development in Finland and Spain had a positive impact on profitability. The development in Sweden slowed down the profitability improvement, with net sales remaining below the comparison period. Operating profit development was further hampered by increased depreciation.

Net profit grew by 2.4% to EUR 4.8 million (4.7). Net financial expenses were EUR 1.9 million (2.2).

## Group's financial performance April-June 2025

Comparable net sales grew by 3.1% to EUR 34.9 million (33.9). Comparable net sales growth was driven by successful new customer acquisition in Finland and Spain, supported by an acquisition in Spain at the beginning of the period. The development in Sweden slowed down net sales growth, with net sales still remaining below the comparison period.

Comparable EBITDA increased by 1.2% and amounted to EUR 9.8 million (9.7), representing 28.0% (28.5) of net sales. EBITDA growth came from Spain, while Finland and Sweden remained at the comparison period's level. In Spain, the growth in business volume has enabled profitability to develop well. Comparable operating profit decreased by -7.8% and amounted to EUR 3.6 million (3.9) or 10.3% (11.5) of net sales. Operating profit development was hampered by further increased depreciation.

Net profit decreased by -13.5% to EUR 2.3 million (2.7).

## Country-specific financial development

### Finland

#### Reported key figures

	1-6/2025	1-6/2024	Change, %	4-6/2025	4-6/2024	Change, %
Net sales, EUR 1,000	49,576	45,899	8.0%	23,523	22,490	4.6%
Net sales growth, %	8.0%	-1.7%		4.6%	-3.6%	
EBITDA, EUR 1000	20,122	18,145	10.9%	8,839	8,847	-0.1%
EBITDA of net sales, %	40.6%	39.5%		37.6%	39.3%	
Depreciation and amortisations, EUR 1,000	-9,665	-8,974	7.7%	-4,901	-4,549	7.7%
Operating profit, EUR 1,000	10,457	9,171	14.0%	3,938	4,298	-8.4%
Operating profit of net sales, %	21.1%	20.0%		16.7%	19.1%	

## Comparable key figures

	1-6/2025	1-6/2024	Change, %	4-6/2025	4-6/2024	Change, %
Net sales, EUR 1,000	48,076	45,899	4.7%	23,523	22,490	4.6%
Net sales growth, %	4.7%	-1.7%		4.6%	-3.6%	
EBITDA, EUR 1000	18,622	18,145	2.6%	8,839	8,847	-0.1%
EBITDA of net sales, %	38.7%	39.5%		37.6%	39.3%	
Depreciation and amortisations, EUR 1,000	-9,665	-8,974	7.7%	-4,901	-4,549	7.7%
Operating profit, EUR 1,000	8,957	9,171	-2.3%	3,938	4,298	-8.4%
Operating profit of net sales, %	18.6%	20.0%		16.7%	19.1%	

### January-June 2025

Comparable net sales grew by 4.7% to EUR 48.1 million (45.9). In Finland, the decrease in Talenom's customers' transaction volumes has stopped. Thanks to successful new customer acquisition in 2024, Finland's comparable net sales turned to growth.

Profitability improved due to net sales growth and efficiency measures.

### April-June 2025

Comparable net sales grew by 4.6% to EUR 23.5 million (22.5). In Finland, the decline in Talenom's customers' transaction volumes has stopped. Thanks to successful new customer acquisition, Finland's comparable net sales turned to growth.

Comparable EBITDA remained at the previous year's level, mainly due to growth costs as we accelerated, for example, marketing investments.

## Sweden

	1-6/2025	1-6/2024	Change, %	4-6/2025	4-6/2024	Change, %
Net sales, EUR 1,000	12,526	14,223	-11.9%	6,542	7,226	-9.5%
Net sales growth, %	-11.9%	1.4%		-9.5%	-1.0%	
EBITDA, EUR 1000	219	415	-47.3%	397	435	-8.8%
EBITDA of net sales, %	1.7%	2.9%		6.1%	6.0%	
Depreciation and amortisations, EUR 1,000	-1,452	-1,423	2.0%	-747	-706	5.7%
Operating profit, EUR 1,000	-1,233	-1,008	-22.3%	-350	-271	-29.1%
Operating profit of net sales, %	-9.8%	-7.1%		-5.3%	-3.8%	

### January-June 2025

Net sales decreased by -11.9% to EUR 12.5 million (14.2). In Sweden, net sales decreased as a result of customer churn in 2024. Integration challenges have caused more customer churn than normal in the first acquisitions. We saw the trend turning for the better in new sales and churn, but the 2024 customer churn will negatively impact net sales development in 2025.

Relative EBITDA was 1.7% (2.9) and the operating profit was -9.8% (-7.1) of net sales. Profitability was burdened by the decrease in net sales, and the aim is to scale the number of employees to correspond to

net sales. Cost scaling has not been possible at the same pace as the decline in net sales, as we have aimed to secure growth preconditions. Profitability has also been burdened by the implementation of our platform, which requires resources to ensure the progress of the project and has kept the cost level higher than under normal circumstances.

## April-June 2025

Net sales decreased by -9.5% to EUR 6.5 million (7.2). In Sweden, net sales continued to contract due to customer churn in 2024, although the net sales contraction slowed down slightly. Integration challenges have caused more customer churn than normal in the first acquisitions. We saw the trend turning for the better in new sales and churn, but the 2024 customer churn will negatively impact net sales development in 2025.

Relative EBITDA was 6.1% (6.0) and the operating profit was -5.3% (-3.8) of net sales. Profitability development was corrected, and relative EBITDA was kept at the comparison period level. Profitability was burdened by the decrease in net sales, and the aim is to scale the number of employees to correspond to net sales. Cost scaling has not been possible at the same pace as the decline in net sales, as we have aimed to secure growth preconditions.

## Spain

	1-6/2025	1-6/2024	Change, %	4-6/2025	4-6/2024	Change, %
Net sales, EUR 1,000	8,306	7,554	10.0%	4,744	4,017	18.1%
Net sales growth, %	10.0%	175.2%		18.1%	139.3%	
EBITDA, EUR 1000	673	409	64.6%	665	428	55.2%
EBITDA of net sales, %	8.1%	5.4%		14.0%	10.7%	
Depreciation and amortisations, EUR 1,000	-1,047	-988	5.9%	-525	-498	5.4%
Operating profit, EUR 1,000	-374	-580	35.5%	140	-70	300.0%
Operating profit of net sales, %	-4.5%	-7.7%		2.9%	-1.7%	

## January-June 2025

Net sales grew by 10.0% to EUR 8.3 million (7.6). Organic growth in Spain strengthened, and an acquisition at the beginning of April supported the growth. Organic growth is expected to strengthen with well-functioning new customer acquisition and the entry into force of the e-invoicing Directive.

Relative EBITDA was 8.1% (5.4). EBITDA improved, and we continued to focus on improving profitability by streamlining processes and investing in acquiring recurring and profitable customers.

## April-June 2025

Net sales grew by 18.1% to EUR 4.7 million (4.0). Organic growth in Spain strengthened, and an acquisition at the beginning of April supported the growth. Organic growth is expected to strengthen with well-functioning new customer acquisition and the entry into force of the e-invoicing Directive. The e-invoicing Directive requires every business to acquire software to send and receive e-invoices. In light of current information, the Directive will enter into force in stages in 2025-2027, depending on the size of the company. This is expected to increase demand for Talenom's turnkey solution, which provides the customer with software and service in the same package.

Relative EBITDA was 14.0% (10.7). EBITDA improved, driven by organic growth and the acquisition. We still focused on improving profitability by streamlining processes and investing in acquiring recurring and profitable customers.

## Other countries (Italy)

	1-6/2025	1-6/2024	Change, %	4-6/2025	4-6/2024	Change, %
Net sales, EUR 1,000	247	295	-16.2%	128	144	-11.3%
Net sales growth, %	-16.2%	22.7%		-11.3%	45.2%	
EBITDA, EUR 1000	-251	-95	-165.4%	-131	-56	-133.9%
EBITDA of net sales, %	-101.4%	-32.0%		-102.0%	-38.7%	
Depreciation and amortisations, EUR 1,000	-6	0		0	1	-144.4%
Operating profit, EUR 1,000	-256	-95	-171.3%	-131	-55	-138.4%
Operating profit of net sales, %	-103.7%	-32.0%		-102.3%	-38.1%	

Talenom acquired a bridgehead from Italy in early 2023. Our priority is to grow organically in Italy. The Italian business model has changed, and responsible accountants produce some of the services through outsourcing. Therefore, net sales have decreased. Measured by EBITDA, the Italian business is currently loss-making, which is caused by investments in the Software business and the pilot being launched in Italy.

## Unallocated items

Unallocated items include net sales and cost recognition of additional purchase prices related to acquisitions. The impact of these was EUR 1.3 million negative compared to the reference period.

	1-6/2025	1-6/2024	Change, %	4-6/2025	4-6/2024	Change, %
Net sales, EUR 1,000						
Net sales growth, %						
EBITDA, EUR 1000	-384	867	-144.3%	-61	599	-110.2%
EBITDA of net sales, %						
Depreciation and amortisations, EUR 1,000						
Operating profit, EUR 1,000	-384	867	-144.3%	-61	599	-110.2%
Operating profit of net sales, %						

## Key business figures

From the beginning of 2025, Talenom reports key figures for two business areas: Software business and Accounting business. Comparable key figures for the business areas are not available for 2024.

## January-June 2025

	Software business 1–6/2025	Accounting business 1–6/2025	Group 1–6/2025
Net sales, EUR 1,000	12,182	58,473	70,655
EBITDA, EUR 1000	8,917	11,461	20,379
EBITDA of net sales, %	73.2%	19.6%	28.8%
Operating profit, EUR 1,000	3,486	4,724	8,209
Operating profit of net sales, %	28.6%	8.1%	11.6%

The higher net sales in the first half of the year were affected by a change in the net sales recognition principle of the Software business, which improved reported net sales by EUR 1.5 million.

## April-June 2025

	Software business 4–6/2025	Accounting business 4–6/2025	Group 4–6/2025
Net sales, EUR 1,000	5,297	29,639	34,937
EBITDA, EUR 1000	3,584	6,125	9,709
EBITDA of net sales, %	67.7%	20.7%	27.8%
Operating profit, EUR 1,000	835	2,701	3,536
Operating profit of net sales, %	15.8%	9.1%	10.1%

## Development in the number of customers

	Q2/2022	Q2/2023	Q2/2024	Q2/2025
SaaS, charged separately	8,920	9,526	9,730	10,050
SaaS, not charged separately	163	516	1,746	4,459
Potential customers for SaaS (service customers)	9,120	10,480	11,012	9,025
<b>Customers total</b>	<b>18,203</b>	<b>20,522</b>	<b>22,488</b>	<b>23,534</b>

## Balance sheet, financing and investments

On 30 June 2025, the consolidated balance sheet total was EUR 187.6 (182.7) million. The Group's equity ratio was 29.5% (28.7) and net gearing was 167.3% (160.1). The Group's interest-bearing non-current financial loans at the end of the review period were EUR 90.6 (85.7) million, excluding instalment debts. Other non-current interest-bearing liabilities (instalment debts) were EUR 0.5 (0.4) million and other current interest-bearing liabilities (instalment debts) were EUR 0.5 (0.3) million.

In accordance with IFRS 16, non-current lease liabilities stood at EUR 9.1 (5.7) million and current lease liabilities at EUR 3.5 (4.0) million on 30 June 2025.

The Group recognises the costs of new customer contracts, such as costs of obtaining and fulfilling a contract, as investments as specified in IFRS 15. These costs are presented in the balance sheet under "capitalised contract costs". Furthermore, the Group recognises part of the development costs related to software and digital services as investments according to the requirements outlined in IAS 38. These costs are presented in the balance sheet under "other intangible assets".

The total net investments on 1 January–30 June 2025 were EUR 10.4 million (13.1).

Investments stemming from new customer contracts amounted to EUR 1.8 million (1.8) in the review period. Investments in software and digital services totalled EUR 5.9 million (7.9) during the review period. Investments in proprietary software decreased by approximately EUR 1.9 million from the comparison period. Technology investments focused on developing customer interfaces and further developing automation.

During the review period, Talenom acquired one business entity, Querol & Querol Assessors, through a share transaction. The total value of share transactions conducted during the review period was EUR 1.8 million. Acquisitions accounted for EUR 1.8 million (2.7) of net investments. Read more about acquisitions under “Acquisitions in the review period”.

Investments	1 Jan–30 Jun 2025	1 Jan–30 Jun 2024	Change
New customer agreements, EUR 1,000	1,789	1,837	-48
Software and digital services, EUR 1,000	5,935	7,876	-1,941
Acquisitions in Finland, EUR 1,000	0	0	0
Acquisitions abroad, EUR 1,000	1,839	2,713	-874
Other investments	857	699	158
<b>Total net investments, EUR 1,000</b>	<b>10,420</b>	<b>13,125</b>	<b>-2,705</b>

Talenom’s liquid assets on 30 June 2025 were EUR 11.8 million (12.3).

## Acquisitions during the review period

Share transactions in January-June:

- Querol & Querol Assessors, Spain

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

EUR 1,000	Share transactions	Business acquisitions
Total purchase prices	1,750	0
Maximum contingent consideration	50	0
Net sales, previous 12 months at time of purchase, total	1,421	0
Operating profit, previous 12 months at time of purchase, total	248	0

You can find more detailed information about the acquisitions in the section ‘Tables’.

## Personnel and management

Talenom had 1,522 (1,607) employees at the end of June 2025. The average number of personnel during the review period 1 January–30 June 2025 was 1,517 (1,604). Otto-Pekka Huhtala (CEO), Antti Aho (Executive Vice President), Matti Eilonen (CFO), Juho Ahosola (COO), Marika Aho (Country Manager, Finland), Valtter Tahkola (Marketing Director), Lourdes Santisteban (Country Manager, Spain), Annica Glantz (CHRO) and Christian Dieroff (Country Manager, Sweden).

## **Annual General Meeting 2025 and authorisations of the Board of Directors**

The Annual General Meeting of Talenom Plc was held on 19 March 2025. The meeting was held as a remote meeting in accordance with Chapter 5, Section 16, Subsection 3 of the Companies Act. Shareholders could also participate in the meeting through advance voting.

The Annual General Meeting adopted the financial statements of the parent company and the consolidated financial statements for the financial year ended 31 December 2024, discharged the members of the Company's Board of Directors and the CEO from liability, and approved all proposals made to the Annual General Meeting by the Board of Directors. The Annual General Meeting also approved the Remuneration Report and new Remuneration Policy for the company's governing bodies.

### **Dividend**

The Annual General Meeting resolved that a dividend of EUR 0.10 per share will be paid for the financial year 1 January–31 December 2024. The dividend will be paid to shareholders who on the dividend record date, 21 March 2025, are registered as shareholders in the company's shareholders' register maintained by Euroclear Finland Ltd. The dividend was paid on 28 March 2025.

In addition, the Annual General Meeting authorized the Board of Directors to further resolve at its discretion on the distribution of dividends as follows:

The total amount of the dividend distribution based on this authorization shall not exceed EUR 0.10 per share. The authorization is valid until the opening of the next Annual General Meeting. The total aggregate maximum dividend for the financial year 1 January–31 December 2024 would thus be a maximum of EUR 0.20 per share. In case the Board of Directors makes a separate resolution on the distribution of dividend based on the authorization, the company will separately publish announcement of such Board of Directors' resolutions.

Undistributed profits shall remain in equity. Dividend shall not be paid to treasury shares held by the company.

### **Composition and remuneration of the Board of Directors**

The Annual General Meeting confirmed that Harri Tahkola, Mikko Siuruainen, Johannes Karjula, Elina Tourunen and Erik Tahkola, all current members of the Board of Directors, are re-elected as the members of the Board of Directors for a new term. Saara Kauppila was elected as a new member of the Board of Directors. The Annual General Meeting resolved that the number of the members of the Board of Directors shall be six.

It was resolved that a remuneration of EUR 6,000 per month will be paid to the Chairman of the Board of Directors and EUR 2,200 per month to other members of the Board of Directors. Additionally, the travel expenses of the members of the Board of Directors will be compensated in accordance with the company's travel policy.

### **Election and remuneration of the auditor**

KPMG Oy Ab, authorised public accountant organisation, was re-elected as the auditor of the company, with Juho Rautio, authorised public accountant, as the principal auditor. The term of the auditor will run until the end of the next Annual General Meeting. The auditor will be remunerated according to the reasonable invoice approved by the company.

## **Election and remuneration of the sustainability reporting assurer**

The sustainability audit firm KPMG Oy Ab was elected as the company's sustainability reporting assurer for the term ending at the conclusion of the following Annual General Meeting. Authorized public accountant, authorized sustainability auditor Juho Rautio will act as the principally responsible sustainability reporting assurer. The sustainability reporting assurer is remunerated according to a reasonable invoice approved by the company.

## **Authorising the Board of Directors to decide on the repurchase of own shares**

The Annual General Meeting authorised the Board of Directors to resolve on the repurchase of a maximum of 150,000 shares in the company in one or several tranches using the company's unrestricted shareholders' equity. The shares will be repurchased otherwise than in proportion to the shareholdings of the shareholders in public trading arranged by Nasdaq Helsinki Ltd for the market price at the moment of purchase.

The authorisation will remain valid until the closing of the next Annual General Meeting, but no longer than until 30 June 2026. The authorisation replaces the previous authorisation to repurchase own shares granted by the Annual General Meeting on 14 March 2024.

## **Authorising the Board of Directors to resolve on share issues and issues of option rights and other special rights entitling to shares**

The Annual General Meeting authorised the Board of Directors to resolve on the issuance of shares and the issuance of special rights entitling to shares as referred to in Chapter 10 Section 1 of the Companies Act in one or several tranches, either against payment or without payment.

The aggregate number of shares to be issued, including the shares to be received based on special rights, cannot exceed 2,200,000 shares. The Board of the Directors may resolve to issue new shares or to transfer own shares possibly held by the company. The maximum amount of the authorisation corresponds to approximately 4.8 per cent of all shares in the company.

The Board of Directors is authorised to decide on all other matters related to the issuance of shares and special rights entitling to shares, including the right to deviate from the pre-emptive right of shareholders to subscribe for shares to be issued. The authorisation is proposed to be used for the purposes of paying purchase prices of corporate acquisitions, share issues directed to personnel or share award schemes or to issue share options or for other purposes decided by the Board of Directors.

The authorisation will remain valid until the closing of the next Annual General Meeting, but no longer than until 30 June 2026. The authorisation revokes all previous unused authorisations to resolve on the issuance of shares, option rights and other special rights entitling to shares.

## **Organisational meeting of the Board of Directors**

In its organisational meeting held after the Annual General Meeting, the Board of Directors of Talenom Plc re-elected Harri Tahkola as Chairman of the Board of Directors.

The Board of Directors has evaluated the independence of its members of the company and of significant shareholders. Harri Tahkola is not considered independent of the company based on an overall assessment. In addition, he is not considered independent of significant shareholders, as he owns more than 10% of the shares in the company. Erik Tahkola is considered independent of the company, but he is not considered independent of its significant shareholders. Mikko Siuruainen, Johannes Karjula, Elina Tourunen and Saara Kauppila are considered independent of the company and its significant shareholders.

## Stock option schemes and share-based incentive schemes

The Group has three valid stock option schemes at the end of the review period. The Board of Directors decided based on authorisation granted by the AGM on 3 March 2021, on the 2021 stock option scheme, with the authorisation granted by the AGM on 3 March 2022, on the 2022 stock option scheme and with the authorisation granted by the AGM on 15 March 2023, on the 2023 stock option scheme. All option schemes are subject to a shareholding obligation as an additional condition under which the stock option holder must acquire company shares with 20% of the gross income received from the stock options. This number of shares must be held for two years after the acquisition of the shares. The Board of Directors decides on further action concerning stock options returned to the company later.

The subscription period for shares subscribed for with stock options 2021 is 1 March 2026 to 28 February 2027, for stock options 2022 it is 1 March 2025 to 28 February 2026 and for stock options 2023 it is 1 March 2026 to 28 February 2027.

The options granted and the holdings or undistributed options of the company are divided into option categories on 30 June 2025 as follows:

Option categories (pcs)	2021	2022	2023
Options given	600,000	500,000	650,000
Options exercised	0	0	0
Talenom Plc's holding or undistributed	222,500	97,000	125,400
Options given but not exercised	377,500	403,000	524,600

The table below shows the shareholding and voting rights that may be exercised under the issued stock options and the effect of the options on the number of shares.

Option categories	2021	2022	2023
The current subscription price of options	13.44	8.99	7.13
Total number of unexercised options	377,500	403,000	524,600
Exercised or Talenom Plc's holding or undistributed	222,500	97,000	125,400
Number of shares on 30 June 2025	45,628,572	45,628,572	45,628,572
Number of shares if all options are converted into new shares	46,006,072	46,031,572	46,153,172
Proportion of holdings and votes if all options are converted into new shares	0.821%	0.875%	1.137%

The total number of shares will rise from 45,628,572 to 46,933,672 provided that all options under option types 2021, 2022 and 2023 are used in full to subscribe for new shares. The total voting and holding rights from both option types is 2.781%, provided that all options are used in full to subscribe for new shares.

Under the terms of the stock options, the subscription price of the options may change if the company distributes dividends or funds from the unrestricted equity fund or if the company reduces its share capital by distributing share capital to shareholders. The terms and conditions of the stock options are available on Talenom's investor pages at [investors.talenom.com/en/investors/corporate\\_governance/remuneration](https://investors.talenom.com/en/investors/corporate_governance/remuneration)

## Performance Share Plan 2024-2027

The Board of Directors of Talenom Plc has resolved on a new performance share plan for the Group's key employees. The plan is part of share-based incentive plans for the Group's key employees. The aim is to align the objectives of the shareholders and key employees for increasing the value of the company in the

long-term, to commit the key employees to the company and to offer them competitive incentive schemes that are based on earning and accumulating shares.

The performance share plan 2024–2027 consists of three performance periods. The Board of Directors resolves on the plan's performance criteria and targets to be set for each criterion at the beginning of the performance period.

The potential reward based on the plan will be paid partly in the company's shares and partly in cash after the end of a performance period. The cash proportion is intended to cover taxes and tax-related expenses arising from the reward to a participant. As a rule, no reward is paid, if the participant's employment or service terminates before the reward payment.

The company's Executive Board Member is obliged to hold at least half of the net number of shares paid to the member based on the plan, until the value of his or her shareholding in the company equals the value of his or her annual base salary. Such number of shares must be held as long as the membership in the Executive Board continues.

During the performance period 2024–2025, the reward is based on the Group's net sales growth, development of operating profit and strategy execution.

The rewards to be paid based on the performance period correspond to the value of an approximate maximum total of 380,000 Talenom Plc shares, including also the proportion to be paid in cash. Approximately 120 persons are included in the target group of the plan, including the company's Executive Board members.

For the 2025–2026 vesting period, the reward is based on the Group's net sales growth, EBITDA development and the implementation of the company's strategy. The reward includes a commitment-building component, the criterion for which is the obligation to stay employed at the company.

The rewards to be paid for the vesting period correspond to a maximum total value of 500,000 Talenom Oyj shares, including the portion to be paid in cash. The target group includes approximately 130 key employees, including members of the company's Board of Executives

## **Shares and shareholders**

On 30 June 2025, Talenom Plc had a total of 45,628,572 shares entered in the Trade Register. The company held 150,600 treasury shares (0.33% of the total number of shares and votes) on 30 June 2025. On 30 June 2025, Talenom had a total of 10,495 (9,986) shareholders. The number of shareholders is based on information collected by Modular Finance from various sources, such as Euroclear Finland Oy.

A total of 7,719,018 shares were traded in January-June, and the value of the shares traded was EUR 26,116,481. The highest price of the share was EUR 4.28 and the lowest price was EUR 2.79. The volume weighted average price was EUR 3.38 and the closing price at the end of the review period was EUR 3.93. In accordance with the closing price, the combined market value of the shares was approximately EUR 179.3 million.

## **Flagging notifications**

During the review period, Talenom received no notifications of changes in holdings in accordance with the Securities Markets Act.

## Financial reporting in 2025

Talenom will publish the Business Review for January-September on 17 October 2025.

## Risks, uncertainties and risk management

The company has identified risks and uncertainties related to its operating environment and business that may adversely affect the company's business, profitability and financial position. The main identified risks are:

- Potential escalation of the geopolitical crisis in Europe as the general economic situation deteriorates, prevailing high interest rate level and inflation may lead to business contraction or bankruptcy of Talenom's customers, resulting in customer losses or reduced customer relationships.
- Talenom may fail to implement acquisitions, integrate the acquired companies into its business, causing a negative impact on the business of the acquired operations.
- Competition may tighten if competitors introduce new services or start a price war.
- The IT systems and connections provided by the company or its partners may be subject to security breaches, or be affected by deficiencies, failures, or shortcomings in the maintenance and updating of such systems.
- Wide-ranging cost inflation could lead to significant cost increases.
- Failure in recruitment or staff engagement.

## Guidance for 2025 (unchanged)

Talenom estimates that 2025 net sales will be around EUR 130–140 million and EBITDA around EUR 36–42 million.

Talenom expects demand in the accounting services market to remain stable in all of the company's operating countries in 2025. Market conditions affecting the company are estimated to remain unchanged in Finland and Sweden in the first half of 2025 and to pick up during the second half of the year.

In addition to organic growth, the guidance includes an estimate of possible acquisitions to be completed during 2025. In addition, consolidation in the industry is expected to continue, driven by, for instance, the digital revolution and tightening legislation in electronic financial management. Expansion into new market areas has enabled long-term growth for the company. Acquisitions are focused on strategically significant targets. Talenom expects profitability to improve driven by uniform processes and automation.

## Accounting principles of the Half-year Financial Report

The Half-year Financial Report has been prepared in accordance with IAS 34 Interim Financial Reporting and its accounting policies are presented in the company's financial statement 2024 and below in the chapter Sales revenue from customer contracts. The financial statement is available on Talenom's investor website at [investors.talenom.com](https://investors.talenom.com)

The figures of this Half-year Report are unaudited.

## **Operating segments**

The operating segments have been formed based on geographical areas. Segment reporting is based on the operating countries of the Group companies. Countries in the early development phase are reported as one item.

## **Sales revenue from customer contracts**

Talenom offers its customers accounting firm services and related expert services, as well as financial management software. Accounting and software services are, for the time being, provided based on ongoing customer contracts but on average, customer relationships are long. Each monthly service package comprises a separate agreement. If the customer does not terminate an indefinite agreement, a new agreement arises for the following month. The notice period for contracts is generally 2 months.

Accounting services comprise monthly service packages whose scope varies by customer. The transaction price of a monthly service package is the amount of consideration that the Group expects to be entitled to in return for services rendered. Sales income from accounting services is recognized when the Group provides monthly services to the customer and the customer receives control of these services. Expert services are recognised as income in one instalment when the service has been rendered and control has been transferred to the customer.

Recurring revenue in the software business refers to revenue received from customers for the use of the software during the contract period. Software usage fees comprise a contract period usage fee, user-specific charges, and volume-based charges for purchase and sales invoices. Revenues for the contract period are typically recognized based on elapsed time or the number of transactions incurred over the software's usage period.

## **Alternative performance measures**

The company reports commonly applied alternative performance measures to reflect the underlying business performance and enhance comparability between financial periods. Alternative performance measures not based on IFRS standards provide notable additional information to company management, investors and other interested parties. Alternative performance measures should not be considered as a substitute for key figures in accordance with IFRS. Alternative performance measures used by the company include operating profit (EBIT), operating profit (EBIT) as % of net sales, comparable operating profit, comparable operating profit as % of net sales, EBITDA, EBITDA as % of net sales, return on investment (ROI) %, interest-bearing net liabilities, net gearing ratio %, equity ratio %, working capital and net investments. The formulas are presented below in the section "Formulas".

## TABLES

### CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

EUR 1,000	1-6/2025	1-6/2024	1-12/2024
<b>Net sales</b>	<b>70,655</b>	<b>67,971</b>	<b>126,231</b>
Other operating income	51	1,227	2,955
Materials and services	-1,796	-2,005	-3,532
Employee benefit expenses	-39,500	-39,777	-75,640
Depreciation and amortisations	-12,170	-11,385	-23,337
Other operating expenses	-9,030	-7,674	-15,259
<b>Operating profit</b>	<b>8,210</b>	<b>8,356</b>	<b>11,417</b>
Financial income	150	222	284
Financial expenses	-2,076	-2,455	-4,786
<b>Net financial expenses</b>	<b>-1,926</b>	<b>-2,233</b>	<b>-4,502</b>
<b>Profit (loss) before taxes</b>	<b>6,284</b>	<b>6,122</b>	<b>6,915</b>
Income taxes	-1,478	-1,431	-825
<b>Profit (loss) for the financial period</b>	<b>4,805</b>	<b>4,692</b>	<b>6,090</b>
<b>Other items of comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss			
Translation differences	-13	-46	-58
Cash flow hedging	-85	0	-119
Taxes on items that may be reclassified subsequently to profit or loss	17	0	24
<b>Total comprehensive income for the financial period</b>	<b>4,724</b>	<b>4,646</b>	<b>5,937</b>
<b>Earnings per share calculated on the profit attributable to the shareholders of the parent company</b>			
Undiluted earnings per share (euro)	0.11	0.10	0.13
Diluted earnings per share (euro)	0.11	0.10	0.13

## CONSOLIDATED BALANCE SHEET

EUR 1,000	30 Jun. 2025	30 Jun. 2024	31 Dec. 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	69,746	68,643	68,643
Other intangible assets	53,286	54,549	54,310
Right-of-use assets	12,308	9,660	9,382
Property, plant and equipment	4,930	4,751	4,737
Other non-current financial assets	188	203	186
Deferred tax assets	3,244	1,571	2,603
Capitalised contract costs	11,830	11,579	11,764
<b>Total non-current assets</b>	<b>155,532</b>	<b>150,956</b>	<b>151,624</b>
<b>Current assets</b>			
Trade and other receivables	19,204	18,867	16,733
Current tax assets	1,005	209	952
Cash and cash equivalents	11,815	12,718	8,669
<b>Total current assets</b>	<b>32,024</b>	<b>31,793</b>	<b>26,353</b>
<b>Total assets</b>	<b>187,556</b>	<b>182,749</b>	<b>177,978</b>
<b>EQUITY</b>			
Share capital	80	80	80
Reserve for invested unrestricted equity	30,935	30,935	30,935
Fair value reserve	-163	0	-95
Retained earnings	24,450	21,376	23,458
<b>Total equity</b>	<b>55,301</b>	<b>52,391</b>	<b>54,377</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities	91,115	85,679	86,157
Trade payables and other liabilities	0	1,978	650
Lease liabilities	9,079	5,742	5,714
Deferred tax liabilities	4,243	4,501	4,291
<b>Total non-current liabilities</b>	<b>104,437</b>	<b>97,900</b>	<b>96,812</b>
<b>Current liabilities</b>			
Financial liabilities	581	36	549
Trade payables and other liabilities	22,255	27,392	22,259
Lease liabilities	3,534	4,029	3,866
Current tax liabilities	1,449	1,001	115
<b>Total current liabilities</b>	<b>27,818</b>	<b>32,459</b>	<b>26,789</b>
<b>Total liabilities</b>	<b>132,256</b>	<b>130,358</b>	<b>123,601</b>
<b>Total equity and liabilities</b>	<b>187,556</b>	<b>182,749</b>	<b>177,978</b>

## CONSOLIDATED CASH FLOW STATEMENT

EUR 1,000	30 Jun. 2025	30 Jun. 2024	31 Dec. 2024
<b>Cash flow from operating activities</b>			
Profit (loss) before taxes	6,284	6,122	6,915
Adjustments:			
Depreciation and amortisations	12,170	11,385	23,337
Financial income	-150	-222	-284
Financial expenses	2,076	2,455	4,786
Other adjustments	1,051	-279	-830
Changes in working capital:			
Change in trade and other receivables	-2,074	-2,190	586
Change in trade payables and other liabilities	-972	437	-3,633
Interest income	98	115	218
Paid taxes	-1,021	333	-1,870
<b>Net cash flow from operating activities</b>	<b>17,462</b>	<b>18,157</b>	<b>29,225</b>
<b>Cash flow from investing activities</b>			
Revenue from the sale of property, plant and equipment	129	120	210
Acquisition of property, plant and equipment	-935	-762	-1,424
Capitalisation of contract costs	-1,789	-1,837	-3,704
Acquisition of intangible assets	-5,926	-7,869	-15,007
Acquired businesses	-2,160	-2,276	-3,118
Investments	-2	-18	-2
<b>Net cash flow from investing activities</b>	<b>-10,683</b>	<b>-12,643</b>	<b>-23,044</b>
<b>Cash flow from financing</b>			
Paid interest	-1,938	-2,441	-4,809
Dividends paid	-4,548	-8,641	-8,639
Change in instalment payment liabilities	46	84	341
Repayment of lease liabilities	-2,073	-2,137	-4,300
Loan withdrawals	5,000	15,000	15,000
Loan repayments	-56	-5,203	-5,196
<b>Net cash flow from financing</b>	<b>-3,569</b>	<b>-3,339</b>	<b>-7,603</b>
<b>Change in cash and cash equivalents</b>	<b>3,210</b>	<b>2,175</b>	<b>-1,422</b>
Cash and cash equivalents, 1 Jan.	8,669	10,254	10,255
Net effect of exchange rate fluctuations on cash and cash equivalents	-77	-115	-164
<b>Cash and cash equivalents</b>	<b>11,802</b>	<b>12,314</b>	<b>8,669</b>

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR 1,000	Share capital	Reserve for invested unrestricted equity	Fair value reserve	Retained earnings	Total
<b>Total equity 1 January 2025</b>	80	30,935	-95	23,458	54,377
<b>Changes and other adjustments for previous accounting periods</b>	0	0	0	12	12
<b>Comprehensive income</b>					
Profit/loss for the financial period				4,805	4,805
Average exchange rate difference and translation differences				-13	-13
Cash flow hedging			-68		-68
<b>Total comprehensive income for the financial period</b>	0	0	-68	4,792	4,724
<b>Transactions with owners</b>					
Dividend distribution and repayment of capital				-4,548	-4,548
Share issue					0
Share-based payments				737	737
<b>Transactions with owners, total</b>	0	0	0	-3,811	-3,811
<b>Total equity 30 June 2025</b>	80	30,935	-163	24,450	55,301

EUR 1,000	Share capital	Reserve for invested unrestricted equity	Fair value reserve	Retained earnings	Total
<b>Total equity 1 January 2024</b>	80	30,875	0	24,859	55,814
<b>Changes and other adjustments for previous accounting periods</b>	0	0	0	-120	-120
<b>Comprehensive income</b>					
Profit/loss for the financial period				4,692	4,692
Average exchange rate difference and translation differences				-46	-46
<b>Total comprehensive income for the financial period</b>	0	0	0	4,646	4,646
<b>Transactions with owners</b>					
Dividend distribution and repayment of capital				-8,641	-8,641
Share issue		60			60
Share-based payments				632	632
<b>Transactions with owners, total</b>	0	60	0	-8,009	-7,949
<b>Total equity 30 June 2024</b>	80	30,935	0	21,376	52,391

EUR 1,000	Share capital	Reserve for invested unrestricted equity	Fair value reserve	Retained earnings	Total
<b>Total equity 1 January 2024</b>	80	30,875	0	24,859	55,814
<b>Changes and other adjustments for previous accounting periods</b>	0	0	0	-107	-107
<b>Comprehensive income</b>					
Profit/loss for the financial period				6,090	6,090
Average exchange rate difference and translation differences				-58	-58
Cash flow hedging			-95		-95
<b>Total comprehensive income for the financial period</b>	0	0	-95	6,032	5,937
<b>Transactions with owners</b>					
Dividend distribution and repayment of capital				-8,639	-8,639
Share issue		60			60
Share-based payments				1,312	1,312
<b>Transactions with owners, total</b>	0	60	0	-7,327	-7,267
<b>Total equity 31 December 2024</b>	80	30,935	-95	23,458	54,377

## OPERATING SEGMENTS

Segment reporting is based on the operating countries of the Group companies. Countries in the early development phase are reported as a whole. This division allows us to better describe the economic performance of countries at different stages. The CEO, as the chief operational decision maker, assesses segment development monthly. Assessment of segment performance is based on the segment's EBITDA and EBIT.

The size of the Spanish business has become significant for the Group, so Spain is reported as its own segment. The Other countries segment includes only Italy.

The Group's assets and liabilities are not distributed to the operating segments because the chief operational decision maker does not allocate resources based on segment assets or liabilities or examine the assets or liabilities of the segments. Assets and liabilities are examined at Group level.

Financial income and expenses, as well as income taxes are not allocated to segments.

### Operating segments 1 Jan - 30 June 2025

EUR 1,000	Finland	Sweden	Spain	Other countries	Unallocated items	Group total
Net sales, external	49,576	12,526	8,306	247	0	70,655
Net sales between segments	417	345	0	0	0	763
<b>Net sales total</b>	<b>49,993</b>	<b>12,871</b>	<b>8,306</b>	<b>247</b>	<b>0</b>	<b>71,417</b>
Other income	17	21	6	7	0	51
Operating expenses	-29,543	-12,463	-7,431	-505	-384	-50,326
Expenses between segments	-345	-210	-208	0	0	-763
<b>EBITDA</b>	<b>20,122</b>	<b>219</b>	<b>673</b>	<b>-251</b>	<b>-384</b>	<b>20,379</b>
Depreciation	-8,960	-1,423	-1,047	-6	0	-11,435
Impairment	-705	-29	0	0	0	-734
<b>Operating profit</b>	<b>10,457</b>	<b>-1,233</b>	<b>-374</b>	<b>-256</b>	<b>-384</b>	<b>8,209</b>

### Operating segments 1 Jan - 30 June 2024

EUR 1,000	Finland	Sweden	Spain	Other countries	Unallocated items	Group total
Net sales, external	45,899	14,223	7,554	295	0	67,971
Net sales between segments	489	221	120	0		830
<b>Net sales total</b>	<b>46,388</b>	<b>14,444</b>	<b>7,674</b>	<b>295</b>	<b>0</b>	<b>68,801</b>
Other income	222	25	40	3	938	1,227
Operating expenses	-28,128	-13,768	-7,097	-392	-71	-49,456
Expenses between segments	-337	-285	-208	0		-830
<b>EBITDA</b>	<b>18,145</b>	<b>415</b>	<b>409</b>	<b>-95</b>	<b>867</b>	<b>19,741</b>
Depreciation	-8,324	-1,406	-988	0		-10,718
Impairment	-649	-17	0	0		-667
<b>Operating profit</b>	<b>9,171</b>	<b>-1,008</b>	<b>-579</b>	<b>-95</b>	<b>867</b>	<b>8,356</b>

### Operating segments 1 Jan - 31 Dec 2024

EUR 1,000	Finland	Sweden	Spain	Other countries	Unallocated items	Group total
Net sales, external	86,698	24,263	14,613	657	0	126,231
Net sales between segments	1,092	580	247	0	0	1,919
<b>Net sales total</b>	<b>87,789</b>	<b>24,843</b>	<b>14,861</b>	<b>657</b>	<b>0</b>	<b>128,150</b>
Other income	336	53	14	8	2,544	2,955
Operating expenses	-53,650	-25,341	-14,256	-812	-372	-94,431
Expenses between segments	-825	-659	-436	0	0	-1,919
<b>EBITDA</b>	<b>33,651</b>	<b>-1,103</b>	<b>183</b>	<b>-147</b>	<b>2,172</b>	<b>34,754</b>
Depreciation	-17,052	-2,931	-1,966	-8	0	-21,956
Impairment	-1,339	-42	0	0	0	-1,381
<b>Operating profit</b>	<b>15,260</b>	<b>-4,076</b>	<b>-1,783</b>	<b>-155</b>	<b>2,172</b>	<b>11,417</b>

## COLLATERAL AND CONTINGENT LIABILITIES

	30 Jun. 2025	30 Jun. 2024	31 Dec. 2024
<b>Liabilities secured by an enterprise mortgage</b>			
Loans from financial institutions	90,000	85,000	85,000
Enterprise mortgages provided as security	110,100	110,100	110,100
<b>Other deposits and contingent liabilities</b>			
Other *)	21,836	21,561	21,768

\*) Other contingent liabilities are related to the bank guarantee limit, leasing liabilities and commitments for instalment payment liabilities.

## BUSINESS ACQUISITIONS IN JANUARY-JUNE 2025

During the review period, the Group acquired one business entity as share transaction in Spain.

EUR 1,000	Time of acquisition	Transaction type	Method of payment	Acquisition cost	Maximum contingent consideration
Querol & Querol Assessors S.L.	1 Apr 2025	Share transaction	Cash	1,750	50

The value of the acquired assets and liabilities on the day of acquisition were:

EUR 1,000	Share transactions
Intangible assets	6
Property, plant and equipment	90
Customer relationships	736
Right-of-use assets	0
Current assets	563
<b>Total assets</b>	<b>1,394</b>
Trade and other payables	514
Lease liabilities	0
Deferred tax liability	184
<b>Total liabilities</b>	<b>698</b>
<b>Net assets</b>	<b>697</b>
Consideration transferred	1,800
Net assets of acquisition target	-697
<b>Goodwill</b>	<b>1,103</b>

The costs arising from acquisitions are recognised in other expenses in the income statement.

## Business acquisitions in January-June 2024

During the review period, the Group acquired two business entities as share transactions in Spain. The transactions are detailed in the table below.

EUR 1,000	Time of acquisition	Transaction type	Method of payment	Acquisition cost	Maximum contingent consideration
Bujan Y Asociados S.L.	1 Jan 2024	Share transaction	Cash and shares	596	0
Assessoria del Bages S.L.	1 Jan 2024	Share transaction	Cash	2,600	0

The value of the acquired assets and liabilities on the day of acquisition were:

EUR 1,000	Share transactions
Intangible assets	66
Property, plant and equipment	22
Customer relationships	1,455
Right-of-use assets	0
Current assets	1,614
<b>Total assets</b>	<b>3,158</b>
Trade and other payables	1,608
Lease liabilities	0
Deferred tax liability	374
<b>Total liabilities</b>	<b>1,982</b>
<b>Net assets</b>	<b>1,176</b>
Consideration transferred	3,196
Net assets of acquisition target	-1,176
<b>Goodwill</b>	<b>2,020</b>

The costs arising from acquisitions are recognised in other expenses in the income statement.

## FORMULAS

Net sales growth, %	=	$\frac{\text{net sales} - \text{net sales of the preceding year}}{\text{net sales of the preceding year}} \times 100$
Operating profit (EBIT)	=	net sales + other operating income - materials and services - personnel expenses - depreciations and amortisations - other operating expenses
Operating profit (EBIT), %	=	$\frac{\text{EBIT}}{\text{net sales}} \times 100$
Return on investment (ROI), % (rolling 12 months)	=	$\frac{\text{operating profit (EBIT) before taxes} + \text{interest and other financial expenses}}{\text{total equity and liabilities} - \text{non-interest-bearing liabilities (average of the accounting period)}} \times 100$
Interest-bearing net liabilities	=	interest-bearing liabilities - cash in hand and in banks
Gearing ratio, %	=	$\frac{\text{interest-bearing liabilities} - \text{cash in hand and in banks}}{\text{capital and reserves}} \times 100$
Equity ratio, %	=	$\frac{\text{capital and reserves}}{\text{balance sheet total} - \text{advances received}} \times 100$
Working capital	=	inventories + non-interest-bearing current receivables - non-interest-bearing current liabilities
Net investments	=	investments in tangible and intangible assets - sales of assets
Earnings per share	=	$\frac{\text{net profit of the review period}}{\text{Weighted average number of shares outstanding during the review period}}$
Compound annual growth rate (CAGR)	=	$\left( \frac{\text{liikevaihto jakson lopussa}}{\text{liikevaihto jakson alussa}} \right)^{\frac{1}{\text{vuosien määrä}}} - 1$
EBITDA	=	operating profit + depreciation + amortisation
EBITDA, %	=	$\frac{\text{EBITDA}}{\text{net sales}} \times 100$
Comparable net sales	=	net sales - one-off increase due to change in the recognition principle for net sales
Comparable EBITDA	=	EBITDA - one-off increase due to change in the recognition principle for net sales - expenses and income recognition related to additional purchase prices from acquisitions
Comparable operating profit	=	operating profit - one-off increase due to change in the recognition principle for net sales - expenses and income recognition related to additional purchase prices from acquisitions

**Operating profit (EBIT)** measures Talenom's ability to generate a profit in its business operations. Operating profit is a key metric of the company's profitability and financial performance, and indicates the profit generated from business operations.

**Operating profit margin** refers to operating profit as a percentage of net sales and is used to proportion operating profit to net sales and improve comparability of operating profit over reporting periods.

**Return on investment**, meanwhile, measures operating result relative to invested equity. It describes Talenom's relative profitability, in other words, how effectively the company can generate profit for capital invested in the company.

**Interest-bearing net liabilities** is the net sum of Talenom's debt financing. The key figure provides information on the company's indebtedness and capital structure

**Net gearing** is the ratio between Talenom's equity and interest-bearing liabilities. It describes the level of risk associated with the company's financing and is a useful metric for tracking the company's debt-to-equity ratio.

**Equity ratio** is a financing structure metric that shows what proportion of the company's balance sheet is financed by its own equity. Equity ratio provides information on the level of risk associated with financing and the level of equity used in business operations, and describes the company's solvency and tolerance against loss in the long term.

**Working capital** measures the amount of financing committed in Talenom's business operations and describes the efficiency of capital use.

**Net investments** measure the amount of investments minus the sale of fixed assets. The key figure provides additional information on the cash flow needs of business operations.

**EBITDA** is an important key figure that measures Talenom's ability to generate profit in business before depreciation, amortisations and financial items.

**EBITDA margin** refers to EBITDA as a percentage of net sales and is used to proportion EBITDA to net sales and improve comparability of EBITDA over reporting periods.

**Comparable EBITDA** describes EBITDA without one-off income statement impacts from changes in accounting principles and recognitions and expenses arising from additional purchase prices related to acquisitions.

**Comparable operating profit** describes operating profit without one-off income statement impacts from changes in accounting principles and recognitions and expenses arising from additional purchase prices related to acquisitions.

## **TALENOM PLC**

Board of Directors

### **FURTHER INFORMATION:**

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