



Financial Statements release 1.1.-31.12.2020 (IFRS)

Nixu Corporation
Stock Exchange Release
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Strong profitability improvement and growth

Highlights for July–December 2020:

- Revenue: EUR 25,617 (25,483) thousand, change +1%. Organic growth: 1%. Managed continuous services grew by +12% representing 20% of revenue.
- EBITDA: EUR 2,836 (-929) thousand, share of revenue: 11% (-4%).
- The improvement in EBITDA is explained by the significant reduction in other operating expenses, savings achieved through reorganization and streamlining of operations.
- Adjusted EBITDA: EUR 2,776 (-529) thousand, share of revenue: 11% (-2%).
- EBIT: EUR 364 (-3,664) thousand, share of revenue: 1% (-14%).
- EBIT was affected by an impairment of EUR 1,420 (1,627) thousand on goodwill.

Highlights for January–December 2020:

- Revenue: EUR 53,272 (51,168) thousand, change +4%. Organic growth: 0%. Managed continuous services grew by +23%.
- EBITDA: EUR 2,895 (1,047) thousand, percentage of revenue 5% (2%).
- Adjusted EBITDA: EUR 3,687 (1,525) thousand, percentage of revenue 7% (3%).
- EBIT: EUR -702 (-2,628) thousand, share of revenue -1% (-5%).
- EBIT was affected by an impairment of EUR 1,420 (1,627) thousand on goodwill.
- Nixu initiated reorganization of its operations and a cost reduction program across Nixu Corporation to prepare for the impact of pandemic.
- Nixu signed a new credit facility of EUR 4 million for the next two years.

Financial Guidance for 2021

Nixu estimates its revenue to grow organically and its EBITDA to increase from 2020.

Simultaneously investments to growth are increased.

Key Figures

EUR thousand	1 July - 31 Dec 2020	1 July - 31 Dec 2019	1 Jan - 31 Dec 2020	1 Jan - 31 Dec 2019
Revenue	25,617	25,483	53,272	51,168
Profit/loss for the period	-378	-4,006	-1,835	-3,518
Earnings per share (EUR)	-0.05	-0.54	-0.25	-0.48
EBITDA	2,836	-929	2,895	1,047
EBITDA, % of net sales	11.1 %	-3.6 %	5.4 %	2.0 %
Adjusted EBITDA ¹	2,776	-529	3,687	1,525
Adjusted EBITDA, % of net sales ¹	10.8 %	-2.1 %	6.9 %	3.0 %
EBIT	364	-3,664	-702	-2,628
EBIT, % of net sales	1.4 %	-14.4 %	-1.3 %	-5.1 %
Adjusted EBIT ¹	304	-3,264	90	-2,150
Adjusted EBIT % ¹	1.2 %	-12.8 %	0.2 %	-4.2 %

¹ Extraordinary, non-recurring events that do not belong to normal business operations are handled as adjustment items. Such extraordinary items are, for example, non-recurring costs related to restructurings and acquisitions and that are included in other operating expenses. The non-recurring costs included in the operating profit of January-December 2020 were EUR 792 thousand (478). The non-recurring costs included in the operating profit of July-December 2020 were EUR -60 thousand (400).

EUR thousand	31 Dec 2020	31 Dec 2019
Equity ratio, %	34.4 %	37.3 %
Net interest-bearing debt	2,244	6,988
Net gearing, %	16.0 %	45.4 %

The figures presented in the financial statements release are un-audited.

Petri Kairinen, CEO of Nixu:

“The year 2020 was a very exceptional due to the uncertainty caused by the coronavirus pandemic. At the same time, the pandemic and the ensuing restrictions led to a wave of digitalization, the impact of which will be felt long after the pandemic has subsided. The demand for cybersecurity services is directly linked to the level of digitalization of companies and society. The second wave of the pandemic, which accelerated around the turn of the year, and the delay in vaccinations will extend the uncertainty a little longer than expected, but, in general, we see 2021 as bright in terms of demand for cybersecurity. In fact, the number of new orders in the last quarter of 2020 topped our previous record.

In 2020, Nixu focused on maintaining business continuity by protecting the health of our personnel, ensuring the adequacy of our finances, streamlining sales operations, and renewing our service structure. After the savings measures, we were able to lighten our cost structure, and we were also more successful in our sales efforts in the fall than anticipated. All of this led to significantly improved profitability in the fall. EBITDA in the second half of the year was 11% of revenue, and our revenue grew by 1%. The improved profitability was partly attributable to the reduction in costs, which will be restored to nearly the earlier level once the situation normalizes.

As previously announced, on March 1, 2021, Nixu will move to a new operating model in which all functions are international and client service and competence development activities are company-wide. The new normal created by the coronavirus pandemic, with increasing remote work and remote deliveries, gives us an excellent opportunity to take this crucial step in making Nixu a strong and unified European cybersecurity player. This will allow us to achieve a sufficiently critical mass for the different units, and strengthen our competitiveness in markets outside Finland. The operating model aims to increase client intimacy and focus, strengthen the development of expertise, and improve profitability through more efficient service provision.

Our clients have also build up cybersecurity teams of their own, and many Nixu employees have moved to work with client organizations. Consequently, our personnel turnover was higher than normal towards the end of the year. For this reason, we estimate that growth in the first half of 2021 will be slower and accelerate in the second half of the year due to new recruitment and the new operating model.

Nixu’s vision is to be the go-to partner in cybersecurity services for large enterprises, especially in the area of business digitalization. In line with this goal, Nixu is launching a separate business unit focused on ensuring industrial IoT solution security. We believe that this initiative will generate interesting growth opportunities with large international industrial hardware manufacturers. At the same time, we will support our second vision of being the best place to work for cybersecurity professionals by offering work opportunities with the latest IoT technologies and business models.

The data breach incidents that became public at the end of the year, such as Solarwinds and, in Finland, Vastaamo and the Finnish Parliament, are likely to raise public awareness of cyber risks. We believe that this and the general digitalization trend will bring significant growth opportunities for 2021. I would like to thank all Nixuans, who worked hard to ensure our delivery capacity in the challenging year of 2020. This work now gives us the keys to growth.”



Growth Strategy

In 2019, Nixu announced its growth ambition for the period of 2020–2024, according to which Nixu will seek strong growth in Northern Europe and expand its range of managed cybersecurity services as well as its position as a trusted cybersecurity partner for large enterprises. These goals are supported by Nixu’s growth strategy, which focuses particularly on cybersecurity services for digitalizing businesses. Nixu is increasingly developing its cybersecurity services to support its customers in utilizing the industrial internet and digital identities in business.

As a result of the global COVID-19 pandemic, Nixu announced in May 2020 that it would not seek growth in the short term in accordance with the growth targets set for 2020–2024, but would ensure the profitability and efficiency of its operations during this exceptional period to be able to continue the implementation of its growth ambition as soon as the market situation normalizes. However, Nixu’s strategy and the passion for growth have not changed in the long term.

The strategic development areas:

Cybersecurity talent community

As an expert organization, Nixu’s success in its strategic targets will rely on its ability to retain, recruit and train the best cybersecurity specialists in the business. In addition, the company’s reputation must be enhanced among the international cybersecurity community.

Cybersecurity partner for digitalization

Nixu provides its customers with a holistic variety of services to serve as a long-time cybersecurity partner. New services are being developed specifically to address the security of industrial internet platforms.

Data-driven services on global platforms

Nixu wants to transition into a digital business model, that it relies on data on shared systems. Not only can the data collected in these systems be used for serving clients, it will also allow the company to develop its operations. Nixu’s services rely on the solutions of global technology partners.

Expanding market presence

Strategic acquisitions to open new markets are a key factor to expand Nixu’s market presence. Acquisitions are financed in a manner that optimizes shareholder value, using either debt or equity. Nixu wants to serve its clients globally, however, its primary network of experts will be established across Europe North of Alps.

Profitable, scalable growth

Despite its growth investments, Nixu is building its growth to be scalable. As the size of the business grows, relative profitability continues to improve.

Revenue and Result for July–December 2020

Nixu Group's revenue stood at EUR 25,617 (25,483) thousand. Revenue increased by 1% from the previous year. The Group's revenue growth was organic.

Development of revenue by service type:

- Projects and assignments accounted for 49% (50%) of the revenue, a decrease of 1% compared to the previous year.
- All continuous services accounted for 38% (37%) of the revenue, a growth of 4% from the previous year. All continuous services include:
 - Managed services, which accounted for 20% (18%) of the revenue, an increase of 12%.
 - Continuous services accounted for 17% (18%) of the revenue, decreasing by 4% from the previous year.
- Technology resale accounted for 13% (14%) of the revenue.

Nixu's EBITDA was EUR 2,836 (-929) thousand. EBITDA showed a significant growth of EUR 3,765 thousand from the comparison period due to a considerable decline in other operating expenses, increased operational efficiency, and the savings achieved through reorganization.

Adjusted EBITDA was EUR 2,776 (-529) thousand. The adjustment items of EUR -60 (400) thousand were related to reorganization costs. The figure for the comparison period also included acquisition costs.

Nixu's EBIT was EUR 364 (-3,664) thousand. In addition to the above, EBIT was affected by depreciations and impairments amounting to EUR 2,472 (2,735) thousand. EBIT was affected by an impairment of EUR 1,420 (1,627) thousand on goodwill.

Financial expenses amounted to EUR -325 (-294) thousand.

Revenue and Result for January–December 2020

Nixu Group's revenue stood at EUR 53,272 (51,168) thousand. Revenue increased by 1% from the previous year. The Group's revenue growth came from acquisitions.

Development of revenue by service type:

- Projects and assignments accounted for 50% (54%) of the revenue, a decrease of 4% compared to the previous year.
- All continuous services accounted for 37% (36%) of the revenue and increased by 9% compared to the previous accounting period. All continuous services include:
 - Managed services, which accounted for 20% (17%) of revenue and increased by 23% compared to the previous accounting period. The growth continued.
 - Continuous services accounted for a 17% (19%) share of the revenue and decreased by 4% from the previous year.
- Technology resale accounted for 13% (10%) of the revenue.

Other operating income stood at EUR 533 (385) thousand. Other operating income included grant from the Netherlands EUR 337 thousand.

Nixu's EBITDA was EUR 2,895 (1,047) thousand. EBITDA showed a significant growth from the comparison period due to a considerable decline in other operating expenses, increased operational efficiency, and the savings achieved through reorganization. In addition, EBITDA was improved by the reduced losses of international operations.

Adjusted EBITDA was EUR 3,687 (1,525) thousand. The adjustment items of EUR 792 (478) thousand were related to reorganization costs. The figure for the comparison period also included acquisition costs.

Nixu's EBIT was EUR -702 (-2,628) thousand. In addition to the above, EBIT was affected by depreciations and impairments amounting to EUR 3,597 (3,675) thousand. EBIT was affected by an impairment of EUR 1,420 (1,627) thousand on goodwill.

Financial expenses amounted EUR -666 (-616) thousand.

The result for the year was EUR -1,835 (-3,518) thousand.

Financing and Investments

On December 31, 2020, Nixu Group's balance sheet total was EUR 40,712 (41,255) thousand.

The company's cash in hand on December 31, 2020 was EUR 6,031 (3,923) thousand. The significant improvement in cash in hand is attributable to savings achieved through increased operational efficiency and reorganization. Tax payments deferred until 2021 as allowed by legislation amounted to EUR 1,163 thousand. The company signed a new credit facility of EUR 4,000 thousand in addition to the previous credit facility of EUR 1,500 thousand. The credit facilities were not in use at the end of the review period.

Net liabilities on December 31, 2020 amounted to EUR 2,244 (6,988) thousand. The change in net liabilities is attributable not only to the improvement in cash in hand but also the repayment of loans.

Net cash flow from operating activities was EUR 5,275 (1,233) thousand. The increase was mainly due to the change in trade receivables and the increase in the result of the year.

Net cash flow in July–December 2020 was EUR 516 (478) thousand.

Personnel, Leadership and Management

The number of personnel was 373 (419) at the end of 2020. The decrease in the number of personnel is explained, among other things, by Nixu's restructuring and the fierce competition for the best talent as the covid-19 pandemic hampered recruitment.

Nixu reacted quickly to the covid-19 pandemic. Nixu's priority was to ensure the safety and well-being of its personnel. Nixu immediately moved to remote working and implemented other necessary precautions to ensure the safety of its personnel. In addition, Nixu supported the coping and well-being of its personnel during the period of remote working.

Nixu's employee satisfaction is measured quarterly. In 2020, job satisfaction remained at a good level. In general, job satisfaction was affected not only by internal issues, such as the uncertainty caused by Nixu's restructuring, but also by external factors, such as general concern about the pandemic.

Nixu promotes diversity and the company's values create a solid base for the Nixu culture. Respect for diversity and equality is a foundational pillar of the Nixu work community and part of Nixu's Ethical Code of Conduct. By the end of 2020, more than one fifth (21%) of Nixu's employees were women and the personnel represented 17 nationalities. At the end of 2020, three of the six members of Nixu's Board of Directors were women, and Board members represented three nationalities. Nixu actively aims at increasing the diversity of the industry by offering employment opportunities, training new cybersecurity experts, and seeking to get women in particular interested in cybersecurity.

Management

Members of Nixu Corporate Leadership Team during the accounting period:

- Petri Kairinen (Chief Executive Officer)
- Janne Kärkkäinen (Chief Financial Officer)
- Kim Westerlund (Chief Development Officer)
- Katja Müller (Chief People Officer)
- Jesper Svegby (Chief Commercial Officer)
- Valtteri Peltomäki (Market Area Leader, Finland)
- Björn-Erik Karlsson (Market Area Leader, Sweden), member of the Corporate Leadership Team as of March 1, 2020
- Niels Kemal Onat served as Market Area Leader, Denmark and Corporate Leadership Team member during March 1–15, 2020. As of March 16, 2020 Errit Müller has held this role
- Matthijs van der Wel (Market Area Leader, Benelux until June 30, 2020, Senior Advisor as of July 1, 2020), member of the Corporate Leadership Team March 1, 2020 – December 31, 2020
- Pietari Sarjakivi (Business Area Leader, Managed security services until September 30, 2020, Senior Advisor as of October 1, 2020), member of the Corporate Leadership Team as of March 1, 2020

To support future profitable growth as an international company, Nixu widened its leadership team to include market area leaders of international markets and managed services business area leader as of March 1, 2020.

As a result of the reorganization, the role of the Nixu Benelux Market Area Leader ceased to exist on June 30, 2020.

Key Figures for Personnel

	2020	2019	2018
Average number during the accounting period			
Wages and salaries during the accounting period (EUR 1,000)	399	388	346
Average employment (years)	27,505	25,402	21,890
Average age (years)	5.0	4.5	3.9
Permanent employees	41.8	40.6	40.0
Part-time employees	99%	96%	98%
Women's share of the group's personnel	5%	6%	4%
	21%	21%	18%

Annual General Meeting 2020

Nixu's Annual General Meeting (AGM) was held on April 7, 2020. The General Meeting adopted the Annual Accounts and the Consolidated Annual Accounts and granted discharge from liability to the members of the Board of Directors, the CEO and the deputy CEO for the accounting period 1 January–31 December 2019.

Nixu Corporation's Board of Directors were selected Kimmo Rasila (Chairman), Marko Kauppi (Deputy Chairman), Kati Hagros, Anders Silwer, Tuija Soanjärvi, and a new full member Jaya Baloo.

PricewaterhouseCoopers Oy was re-elected as the audit firm of the company. PricewaterhouseCoopers Oy has informed that Ms. Enel Sintonen, Authorized Public Accountant, will act as the Auditor in Charge.

The AGM resolved, in accordance with the proposal of the Board of Directors, that the loss from the financial year would be transferred to the retained earnings/ loss account and that no dividend was paid for 2019.

The AGM approved all proposals made by the Board of Directors as described in the Notice to the AGM published on March 13, 2020. The resolutions of the AGM can be found in the Company's stock exchange release on April 7, 2020 and on the company's website <https://www.nixu.com/investors/AGM-2020>.

Audit Committee

On April 30, 2020, Nixu Corporation's Board of Directors elected from among its members Tuija Soanjärvi as Chair and Marko Kauppi and Anders Silwer as members of the Audit Committee.

The role of the Audit Committee is, among other things, to monitor the company's financial reporting process and the effectiveness of internal control, internal audit and risk management systems.

Personnel and Remuneration Committee

Nixu Corporation's Board of Directors established on April 30, 2020 the Personnel and Remuneration Committee, which assist the Board of Directors in particular handling

NIXU	Shares traded	Total value (EUR)	High (EUR)	Low (EUR)	Average price (EUR)	Latest (EUR)
Jan-Jun 2020	654,014	5,798,502	11.30	6.98	8.72	7.70
Jul-Dec 2020	1,076,144	9,498,588	10.20	7.70	8.68	9.62
Jan-Dec 2020	1,730,158	15,297,090	11,30	6.98	8.70	9.62

	December 31, 2020	December 31, 2019
Market capitalization (EUR)	71,215,071	77,834,547
Number of shareholders	3,987	3,475
Total number of shares	7,425,219	7,425,219
Number of the company's own shares held by the company	22,405	12,405

and preparing personnel and remuneration matters. Nixu's Board of Directors elected from among its members Kati Hagros as Chair of the Personnel and Remuneration Committee, and Jaya Baloo and Kimmo Rasila as members.

Shares and shareholders

Nixu has one share series and each share entitles the holder to equal rights.

Nixu's shares are listed on the Official List of Nasdaq Helsinki Stock Exchange, under trading symbol NIXU.

There were no share issues during the accounting period. Nixu acquired a total of 10,000 own shares. The repurchased shares were acquired on the basis of the authorization given by the Annual General Meeting on April 7, 2020 and shall be used as a part of the Company's All-Employee Matching Share Plan 2019–2021.

Flagging Notifications

According to the announcement received by Nixu Corporation, Handelsbanken Fonder AB's holding in Nixu's shares decreased under 5 percent on December 22, 2020. (Stock Exchange Release December 23, 2020)

Proposal for the distribution of profits

On December 31, 2020, the parent company's assets subject to profit distribution amounted to 16,103,961.15 EUR of which the loss for the year amounts to EUR 5,016,744.68. The Board of Directors proposes to the Annual General Meeting that no dividend be paid for 2020.

There have been no significant changes in Nixu's financial status after the close of the financial year.

Research and Development

During 2020, Nixu implemented internal development projects and the Group recognized research and development costs amounting to EUR 775 (884) thousand through profit or loss in the financial year that ended December 31, 2020.

In 2020, Nixu started a development project to obtain ISO 27001 information security certification. As part of the certification process, Nixu continued to improve the processes of its information security management system and harmonized security practices across the Group. This work will continue in 2021.

In addition, Nixu participated in national and international projects during 2020, which received funding from the EU and Business Finland, among others.

In 2020, Nixu was involved in developing a digital identity and authentication infrastructure for Sitra's IHAN project. With the IHAN® project, Sitra is laying a foundation for a fair data economy, where successful digital services are based on trust and create value for everyone. The main objectives of the project are to create a human-driven method for data exchange and set up EU-level rules and guidelines for the ethical use of data.

As one of the founding members of the Findy consortium, Nixu contributed coordination work and provided technical expertise to its development in 2020. The Finnish Findy consortium coordinates an open, non-profit national digital trust infrastructure for Finland.

In 2020, Nixu participated in the Mad@Work project led by VTT Technical Research Centre of Finland. The project uses data collected from workplaces and other sources to improve employee wellbeing, safety, performance and working environments. The project seeks solutions within the international consortium of the ITEA3 cluster, which involves a total of 18 partners from five countries. Nixu has contributed its expertise by ensuring that privacy and data protection are sufficiently taken into account in data transfer in the project. Nixu also assesses the privacy of AI solutions and ethical issues.

Nixu is a member of the MEDINA consortium. The three-year MEDINA project, launched at the end of 2020, aims to pro-

vide a holistic framework that enhances cloud customers' control and trust in consumed cloud services by supporting CSPs (IaaS, PaaS and SaaS providers) towards the successful achievement of a continuous certification aligned with the EU CSA. The new EU Cybersecurity Act (EU CSA) seeks to improve trust in the European ICT market through a European certification scheme.

Risks and Uncertainties

Nixu identifies and manages risks, as a part of its normal business activities. The identified risks in Nixu's risk management have been described below, which, if realized, could have a great impact on the company's result. The risks are in accordance with the situation at the time of writing this report.

The continued COVID-19 pandemic contributes to an increase in the likelihood of risks. Nixu has a large customer base, and for several client companies, COVID-19 poses still significant business challenges that may reflect in the amount of service purchased from Nixu. As the COVID-19 pandemic continues, cost reduction programs of clients may still have an unexpected impact on Nixu's business. The Covid-19 pandemic may affect different countries in different ways, depending on local constraints on the spread of the disease.

Nixu Employees' health and ability to work, and thus the continuity of operations and services, is the most significant COVID-19 specific risk for Nixu. The well-being of Nixu employees in a remote work environment poses a significant risk as the situation persists. As the exceptional situation prolongs, the well-being and resilience of personnel in a remote work environment can also be associated with a significant risk to the company's operations.

There are operational risks involved in Nixu's business activities, specifically in malfunctions in Nixu's IT systems and equipment, or an interruption in availability. Malfunctions in them may lead to the company not being able to produce

its services as agreed. Nixu's services are partly based on services and products provided by third parties, and dependent on their continuity, technical quality and the quality of third party services. Vendors' service performance has a direct impact on Nixu's service profitability. In the worst case, the company may even lose clients because of poor service quality produced by one of the third parties.

Nixu handles customer information in its operations. A breach to Nixu's systems and materialized cybersecurity threat may cause significant direct or indirect damage to company's operations.

In their activities, Nixu processes personal client data. In addition, the company is the register keeper of the personal information of its own personnel. The General Data Protection Regulation (GDPR) of the EU, which took effect in 2018, imposes significant liability on the data processor and register keeper. Eventual shortcomings in following the legislation in question, if realized, may result in substantial direct and indirect adverse consequences to Nixu.

Unexpected delays and extra work are typical for large projects, adding uncertainty factors which may cause Nixu to incur additional costs. Moreover, Nixu may not always be able to allocate personnel resources, schedule tasks for long-term projects or plan its operations as required based on its predictions. There may also be problems in providing constant services, which may accrue costs to Nixu. In its activities, additionally, the company has a usual risk of ending up in conflicts with its clients which pertain to the contents of agreements.

Although Nixu's strategy relies mainly on organic growth, the company is also constantly searching for growth opportunities from acquisitions. If the acquired companies do not meet the set targets or if Nixu fails to integrate the acquired companies, both could seriously disrupt the company's operations. Potential acquisitions can also present unexpected risks and latent liabilities for which the company cannot prepare in advance.

Nixu's business requires great trust from its clients. Information security attacks are aimed at our clients' systems and potential problems in Nixu's services may result in substantial direct and indirect adverse consequences to Nixu.

The financing agreements of the company include conventional covenant conditions, which, if breached, may complicate the company's financial position, especially in situations in which creditor would not consent to the renegotiation of said conditions, or providing their consent for the breaching of the covenant conditions.

Nixu operates in a highly competitive market. If competition increases, Nixu may lose market share and see a decrease in its margins. Losing any of the ten largest clients or losing a significant number of clients from the continuous services client base within a short period of time may also affect the company's profitability.

As part of its growth strategy, the company invests heavily in its continuous, scalable services business. The business models, methods, and the promised service levels in the services business are different from those in the consultancy business. Implementing these changes can be challenging, potentially causing substantial direct and indirect consequences for Nixu. There is a strong demand for skilled cybersecurity professionals in the current labor market, which has increased employee turnover and can lead to slower recruitment and increased salary costs. The demand for the services provided by the company may decrease if the company is unable to maintain the competence of its personnel at the correct technical level and adapt to changes in its clients' business operations.

Events After the Review Period

On February 9, 2021, the company announced a new operating model and the supporting organizational structure and Corporate Leadership Team. The operating model aims at a unified way of operating internationally and increasing customer intimacy and focus.

Future outlook

The demand for cybersecurity services is directly linked to the level of digitalization of companies and society. Digitalization requires organizations to pay great attention to cybersecurity and invest in ensuring the continuity of digital business operations. The COVID-19 pandemic and the en-

suing restrictions led to a wave of digitalization, the impact of which will be felt long after the pandemic has subsided. The research company IDC predicts security services will be the largest and fastest-growing segment of the security market that consists of services, software and hardware, and the services account for roughly half of all spending throughout the 2020–2024 forecast period, attaining a 10.5% five-year CAGR.

Financial reporting in 2021

The planned date for the Annual General Meeting is Tuesday, March 30, 2021.

Nixu will publish its half-year financial report for January–June 2021 on Thursday, August 12, 2021 in accordance with its disclosure policy. In addition to the half-year financial report and financial statements, Nixu will publish revenue and EBITDA information from the first and third quarters, as well as the CEO's overview. The Q1/2021 CEO's overview, revenue and EBITDA information will be published on April 15, 2021, and Q3/2021 will be published on October 14, 2021.

Nixu will organize a results briefing for analysts, investors and media representatives on February 11, 2021 at 9:30 AM EEST.

The event will be available through a live webcast at <https://nixu.videosync.fi/2020-q4-results>.

Espoo, February 10, 2021

Nixu Corporation

The Board of Directors

Consolidated statement of comprehensive income

EUR thousand	1 July - 31 Dec 2020	1 July - 31 Dec 2019	1 Jan - 31 Dec 2020	1 Jan - 31 Dec 2019
Revenue	25,617	25,483	53,272	51,168
Other operating income	237	156	533	385
Materials and services	-5,698	-5,971	-12,245	-10,026
Employee benefit expenses	-15,201	-15,515	-33,456	-31,322
Other operating expenses	-2,120	-5,082	-5,210	-9,159
Depreciation and amortization	-1,051	-1,109	-2,176	-2,048
Impairment charges	-1,420	-1,627	-1,420	-1,627
Operating result	364	-3,664	-702	-2,628
Finance income	-1	4	3	4
Finance expenses	-278	-238	-566	-505
Interest expenses on lease payments	-46	-60	-103	-114
Finance income and expenses, net	-325	-294	-666	-616
Result before taxes	39	-3,958	-1,368	-3,244
Income tax expense	-417	-47	-468	-274
Result for the period	-378	-4,006	-1,835	-3,518
Other comprehensive income				
Items that may be reclassified to profit or loss:				
Translation differences	235	45	223	-146
Other comprehensive income for the period, net of tax	235	45	223	-146
Total comprehensive income for the period	-143	-3,961	-1,612	-3,663
Result for the period attributable to:				
Owners of the parent	-378	-4,006	-1,835	-3,518
Result for the period	-378	-4,006	-1,835	-3,518
Total comprehensive income for the period attributable to:				
Owners of the parent	-143	-3,961	-1,612	-3,663
Total comprehensive income	-143	-3,961	-1,612	-3,663
Earnings per share for profit attributable to the owners of the parent during the year				
Basic and diluted earnings per share, EUR	-0.05	-0.54	-0.25	-0.48

Consolidated Statement of Financial Position

EUR thousand	31 Dec 2020	31 Dec 2019
ASSETS		
Non-current assets		
Goodwill	12,716	13,919
Other intangible assets	2,509	2,938
Tangible assets	404	520
Right-of-use assets	2,555	3,407
Other receivables	252	253
Deferred tax assets	62	0
Total non-current assets	18,499	21,037
Current assets		
Inventories	6	4
Trade receivables and other receivables	16,140	16,175
Current income tax receivables	35	115
Cash and cash equivalents	6,031	3,923
Total current assets	22,213	20,217
Total assets	40,712	41,255
EQUITY AND LIABILITIES		
Equity		
Share capital	95	95
Invested unrestricted equity reserve	19,314	19,314
Translation differences	-364	-587
Retained earnings	-3,203	82
Result for the period	-1,835	-3,518
Total equity attributable to owners of the parent	14,007	15,385
Liabilities		
Non-current liabilities		
Borrowings	4,971	0
Lease liabilities	1,447	2,117
Deferred tax liabilities	215	332
Other non-current liabilities	282	98
Total non-current liabilities	6,916	2,548
Current liabilities		
Borrowings	621	7,338
Lease liabilities	1,237	1,455
Trade payables and other payables	17,336	14,380
Current income tax liabilities	596	148
Total current liabilities	19,789	23,321
Total liabilities	26,705	25,869
Total equity and liabilities	40,712	41,255

Notes are an integral part of the Financial Statements.

Consolidated statement of cash flows

EUR thousand	1 July – 31 Dec 2020	1 July – 31 Dec 2019	1 Jan – 31 Dec 2020	1 Jan – 31 Dec 2019
Cash flows from operating activities				
Result for the period	-378	-4,006	-1,835	-3,518
Adjustments for:				
Depreciation and amortization	2,472	2,735	3,597	3,675
Other non-cash adjustments	27	402	279	410
Finance income and expenses, net	325	294	666	616
Income tax expense	417	47	468	274
Changes in working capital				
Change in trade receivables and other receivables	-979	-1,487	-102	-2,347
Change in inventories	-2	-1	-2	-1
Change in trade payables and other payables	-1,062	2,574	2,861	2,690
Interests paid	-242	-170	-403	-381
Other finance income and expenses, net	-54	-14	-126	-28
Income taxes paid	-6	101	-127	-158
Net cash flows generated from operating activities	516	478	5,275	1,233
Cash flows from investing activities				
Purchases of tangible assets	-43	-168	-76	-324
Purchases of intangible assets	-32	-64	-96	-128
Payments for business acquisitions, net of cash acquired	0	2	0	-6,602
Loans granted	0	0	0	-542
Proceeds from loans receivable	164	178	366	178
Net cash from investing activities	89	-51	194	-7,418
Cash flows from financing activities				
Proceeds from issues of shares and other equity securities	0	0	0	1,111
Proceeds from borrowings	0	0	0	2,481
Repayments of borrowings	-1,389	-1,021	-1,737	-1,630
Purchase of own shares	-91	0	-91	0
Lease liability repayments	-763	-635	-1,547	-1,131
Net cash from financing activities	-2,242	-1,656	-3,375	831
Net decrease(-)/increase in cash and cash equivalents	-1,637	-1,229	2,094	-5,354
Cash and cash equivalents at the beginning of the period	7,662	5,135	3,923	9,286
Exchange gains/losses (-) on cash and cash equivalents	6	17	14	-9
Cash and cash equivalents at the end of period	6,031	3,923	6,031	3,923

Consolidated statement of changes in equity

EUR thousand	Attributable to owners of the parent				
	Share capital	Invested unrestricted equity reserve	Cumulative translation difference	Retained earnings	Total equity
Equity at 1 Jan 2019	95	17,285	-441	-118	16,820
Result for the period				-3,518	-3,518
Other comprehensive income for the period:					
Translation differences			-146		-146
Total comprehensive income for the period	0	0	-146	-3,518	-3,663
Transactions with owners:					
Issue of shares as consideration for a business combination		900			900
Share issue related to 2019 share-based compensation		1,128			1,128
Share based payments to employees				200	200
Total transactions with owners:	0	2,029	0	200	2,229
Equity at 31 Dec 2019	95	19,314	-587	-3,436	15,385
Equity at 1 Jan 2020	95	19,314	-587	-3,436	15,385
Result for the period				-1,835	-1,835
Other comprehensive income for the period:					
Translation differences			223		223
Total comprehensive income for the period	0	0	223	-1,835	-1,612
Transactions with owners:					
Share-based payments to employees				324	324
Purchase of treasury shares				-91	-91
Total transactions with owners:	0	0	0	234	234
Equity at 31 Dec 2020	95	19,314	-364	-5,038	14,007

1 Notes to the balance sheet

About this Review

These consolidated interim financial statements comprise of Nixu Corporation (“the Company”) or (“the Parent Company”) and its subsidiaries (together referred to as the “Group” or “Nixu”). The Nixu Corporation shares are listed on the Official List of Nasdaq Helsinki stock exchange. The Parent Company domicile is in Espoo, and the registered address is Keilaranta 15, 02150 ESPOO.

The notes to the balance sheet have been segmented as follows

- Result for the period
- People
- Acquisitions and group structure
- Interest-bearing Net Debt and Equity
- Other relevant notes

1.1 Basis of preparation

This Financial Statements Review has been prepared in accordance with the IAS 34 Interim Financial Reporting standard. The accounting principles and calculation methods used in this Financial Statements release are identical to those used in Nixu’s annual financial statements 2019, excepting those specified by new and revised standards that became effective on January 1, 2020. The Financial Statements Review does not, however, contain all information and the addendum information which is presented in the consolidated financial statement. Nixu’s Board of Directors has approved this Financial Statements Review in their meeting on February 10, 2021.

Nixu presents EBITDA, adjusted EBITDA, EBIT, adjusted EBIT, equity ratio, net interest-bearing debt, netgearing as well as EBIT and EBITDA margin adjusted for non-recurring items as alternative indicators and additional information for the key figures that are presented herein in accordance with IFRS standards. It is the Management Team’s opinion that these indicators provide significant additional information on the company’s statement of comprehensive income and balance sheet. The indicators are widely

used by analysts, investors and other parties, and provide additional information for analyzing the result of Nixu’s operations and capital structure.

The figures presented in this Financial Statements Review have not been audited. All figures presented have been rounded and consequently the sum of individual figures may deviate from the presented sum figure.

1.2 Key accounting estimates

The preparation of the financial statements release requires the management to make judgments, estimates and pre-suppositions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The Group has estimated the accounting effects of the Covid-19 pandemic. In general, the Covid-19 pandemic has not had a significant impact on Nixu’s figures and asset values in the 2020 period. Most of the customers’ digitalization projects have continued despite the pandemic. Nixu estimates that the rapid increase in digitalization in companies due to the pandemic and the possible postponed implementation of information security projects will be reflected in the growing demand for cybersecurity services in the future.

Impact in the financial reporting of the Covid-19 pandemic

During the review period, Nixu launched a Group-wide restructuring and cost-saving program to prepare for the recession caused by the Covid-19 pandemic.

In accordance with IAS 36, non-financial assets must be tested for impairment whenever there is an indication that their value may be impaired. In addition, goodwill is tested at least annually. Nixu monitored the development of the situation during the year and assessed its impact on financial reporting, including non-current assets and the valuation of trade receivables.

The Group reviewed its model of expected credit losses on trade receivables and determined that there was no need for change.

The Nixu B.V. unit received a grant from the authorities in-

tended to support employment or temporarily secure cash flow. A total of EUR 337 thousand has been recorded in grants received.

To prepare for the potential impact of the Covid-19 pandemic, the company signed a new EUR 4,000 thousand credit facility agreement in addition to the existing credit facility of EUR 1,500 thousand.

2 Result for the period

This section contains information that is important for understanding the Group's results for the reporting period:

- Revenue
- Earnings per share

2.1 Revenue and Segments

The group's proceeds from service sales accrue over time, whereas licenses fall due at specific times. These proceeds are broken down based on primary service areas and geographical areas:

The projects and assignments area includes one-off assignments. The extent and duration of these assignments range from individual inspection and consultation assignments to extensive project deliveries.

All continuous services include:

Managed services – Nixu CDC services and, for example, a range of continuous user management services where Nixu manages the technology delivered to a client and takes a continuous operational role in supporting the client's functions. Managed information security services also include licenses sold for them, whether included in the price of the service or sold separately.

Continuous services – continuous services other than managed services, including continuous user management services. The difference between these services and other assignments is that continuous services are based on contracts of indefinite duration or those that are, in practice, extended automatically.

Technology Resale Area includes third party software and technology service licenses and technology resale usually in connection with other services. Proceeds from licenses also include proceeds from maintenance services. Licenses for managed information security services are not included in the license revenue.

Revenue Breakdown by Service Area

EUR thousand	1 July – 31 Dec 2020	1 July – 31 Dec 2019	1 Jan – 31 Dec 2020	1 Jan – 31 Dec 2019
Service type:				
Projects and assignments	12,565	12,674	26,529	27,706
Total continuous services	9,669	9,312	19,746	18,172
Managed services	5,223	4,666	10,446	8,485
Continuous services	4,446	4,647	9,300	9,688
Technology resell	3,383	3,497	6,998	5,290
Total	25,617	25,483	53,272	51,168

Revenue by geographical area:

EUR thousand	1 July – 31 Dec 2020	1 July – 31 Dec 2019	1 Jan – 31 Dec 2020	1 Jan – 31 Dec 2019
Finland	16,338	14,824	32,395	31,586
Denmark	2,905	3,823	7,364	5,455
Sweden	4,014	4,299	8,834	8,830
The Netherlands	761	1,001	1,343	1,623
Norway	462	338	1,027	374
Belgium	246	365	730	928
Other	892	833	1,579	2,372
Total	25,617	25,483	53,272	51,168

The geographical breakdown of revenue is based on the locations of the customer with which the contract for services has been made. Part of the services may have been delivered to other countries.

Nixu has only one reportable segment. The revenue and the result of the reportable segment is specified in the consolidated statement of comprehensive income and the assets and liabilities of the reportable segment are shown in the consolidated statement of financial position.

2.2 Earnings per share

	1 July – 31 Dec 2020	1 July – 31 Dec 2019	1 Jan – 31 Dec 2020	1 Jan – 31 Dec 2019
Result for the period attributable to the owners of the parent	-377,739	-4,005,723	-1,835,236	-3,517,694
Weighted average number of shares, undiluted	7,408,871	7,412,814	7,410,832	7,349,525
Earnings per share, basic (EUR)	-0.05	-0.54	-0.25	-0.48
Impact of shares related to share based incentive plan	43,591	45,223	44,046	25,851
Weighted average number of shares, fully diluted	7,452,462	7,458,037	7,454,877	7,375,375
Earnings per share, diluted (EUR)	-0.05	-0.54	-0.25	-0.48

The company has dilutive potential ordinary shares with respect to its share-based incentive plan, which is described in further detail in the Share-based incentive plan, below.

3 Personnel

This section includes information how Nixu rewards its employees and key management personnel.

- Employee benefits
- Share-based payments

3.1 Employee Benefits

Employee benefits recognized in the consolidated statement of comprehensive income are presented in the following table:

EUR thousand	1 July – 31 Dec 2020	1 July – 31 Dec 2019	1 Jan – 31 Dec 2020	1 Jan – 31 Dec 2019
Wages and salaries	12,434	12,354	27,505	25,402
Social security expenses	986	1,079	2,054	2,116
Share-based payments	161	180	324	200
Pension expenses				
- defined contribution plans	1,619	1,902	3,572	3,603
Total	15,201	15,515	33,456	31,322

3.2 Share-Based Payments

The 2019 share-based incentive scheme

Nixu established a matching share plan at 2019, the All-Employee Matching Share Plan 2019–2021 (the Plan), which was aimed at all permanent employees of Nixu Corporation and its subsidiaries.

The Plan consisted of a directed share issue against payment (“Share Issue 1/2019”) offering Nixu regular employees the option to subscribe for a minimum of 50 and a maximum of 2,000 Nixu new shares per employee (“New Shares”) and entitlement of one (1) additional share (gross) (together the “Additional Shares”) for gratuitous rights of employees participating in the Plan after a restriction period of approximately two years, for each of the two New Shares subscribed in the Issue 1/2019 as per the terms of the Plan. Additional shares will be issued to the participants on the day of their delivery as determined by Nixu Corporation. Employees participating in the Plan had the opportunity to participate in the financing of the company on separate terms.

The maximum number of shares to be subscribed for in the share issue 1/2019 was 100,000, representing approximately 1.4 per cent of the Company’s fully diluted shares. The Board

of Directors of the Company determined the subscription price of the New Shares based on the volume-weighted average price of the share traded on Nasdaq Helsinki Oy from April 1 to April 30, 2019. 99,071 new shares were subscribed for in the share issue 1/2019. The subscription period for the New Shares ended on May 23, 2019 and the subscription price was EUR 12.09 per share.

Issuance of stock options to key employees

Based on the authorization granted by the AGM held on April 25, 2018, the Board of Directors of Nixu Corporation decided to issue stock options.

The stock options will be issued to selected key personnel of Nixu Group. There is a weighty financial ground for the Company for the issuance of the stock options since the stock options are intended to form part of the incentive and commitment program of the key persons and to motivate the key personnel to work on a long-term basis to increase the shareholder value of the company in accordance with the growth strategy.

The total maximum number of Stock Options issued is 345,000 and they entitle their holders to subscribe for a total maximum number of 345,000 shares of the Company.

Each Stock Option entitles to subscribe for one (1) share in the Company.

Of the Stock Options, 115,000 Stock Options are marked with the symbol 2019A, 115,000 with the symbol 2019B and 115,000 with the symbol 2019C.

A condition of receiving the 2019A stock options was that the key employee participated in a directed share issue to the personnel. Also the other Stock Option series may be made conditional on an investment in the Company’s shares, such as participation in a share issue directed to personnel.

The Stock Option holders’ right to keep the Stock Options until the commencement of the share subscription period, is conditional on the fulfilment of performance targets of employee and customer satisfaction and revenue growth on terms separately determined by the company. The stock options are issued free of charge.

The share subscription price shall be the following:

The trade volume weighted average quotation of the Company’s share on NASDAQ Helsinki Ltd., rounded to the nearest cent, during the period commencing (and including) April 1, 2019 and ending (and including) April 30, 2019 (Stock Options 2019A), for Stock Options 2019B during the twenty trading days following the publication date of the Company’s financial statements release for the year 2019 and for Stock Options 2019C during the twenty trading days following the publication date of the Company’s financial statements release for the year 2020.

If the Company after the end of the share subscription price determination period, before the share subscription, distributes dividends or funds from the reserve of unrestricted equity, the share subscription price with the Stock Option shall be reduced with the amount of such distribution per share. The share subscription price shall, nevertheless, always amount to at least EUR 0.01. The share subscription price shall be booked in the reserve for invested unrestricted equity.

The share subscription period with the Stock Options shall be for Stock Options 2019A October 1, 2021 – May 31, 2023; for Stock Options 2019B October 1, 2022 – May 31, 2024; for Stock Options 2019C October 1, 2023 – May 31, 2025. The maximum number of shares 345,000 which may be subscribed with the stock options is approximately 4.5 per cent of the company’s shares on a fully diluted basis.

4 Acquisitions and intangible assets

This section presents details concerning Nixu's group structure, acquisitions made during the year, assets acquired and liabilities assumed as well as goodwill and other intangible assets recorded upon acquisition.

- Acquisitions
- Intangible assets

4.1 Acquisitions

Nixu acquired Ezenta A/S and Vesper AB's cybersecurity business in the beginning of April 2019. Details of the combination of these businesses were presented in section 4.1 of the Notes to the Group's financial statements for the year ended on December 31, 2019.

In the financial statements for the year ended on December 31, 2019, Nixu stated that the subsidiaries Expert Solution Center Inc. and Swedish Forensic Technologies AB were in dissolution. The dissolution of the subsidiaries was completed during the review period.

4.2 Intangible Assets and Goodwill

The company's intangible assets include goodwill, client accounts and other intangible assets, such as software licenses.

EUR thousand	31 Dec 2020	31 Dec 2019
Net book amount at 1 January	16,858	11,126
Acquisition of subsidiaries	0	8,001
Exchange differences	275	-139
Amortization	-487	-503
Impairment charges	-1,420	-1,627
Net book amount at 31 December	15,226	16,858

On December 31, 2020, the amount of goodwill was EUR 12,716 thousand (13,919), the amount of customer relationships EUR 2,509 thousand (2,842) and the amount of other intangible assets EUR 0 thousand (96). The company performed goodwill tests on H1/2020 according to which no impairment was needed. In H2/2020, the company decided to reorganize its Benelux-functions resulting to changes in cash generating unit and need for impairment of MEUR 1.4. There were no changes in the situation of other cash generating units.

5 Interest-bearing Net Debt and Equity

This chapter presents details concerning the Group's net interest-bearing debt and shareholders' equity:

- Interest-bearing Net Debt and Derivative Financial Instruments
- Shareholders' equity

5.1 Interest-bearing Net Debt and Derivative Financial Instruments

The table below presents the calculation of the Group's interest-bearing net debt:

EUR thousand	31 Dec 2020	31 Dec 2019
Non-current borrowings		
Loans from financial institutions	4,971	0
Lease liabilities	1,447	2,117
Total non-current borrowings	6,418	2,117
Loans from financial institutions	621	7,338
Lease liabilities	1,237	1,455
Total current loans	1,858	8,794
Total loans	8,276	10,911
Less cash and cash equivalents	6,031	3,923
Net debt	2,244	6,988

Borrowings

On December 31, 2020, Nixu's loans from financial institutions consisted of variable and fixed-rate loans amounting to EUR 5,900 thousand, drawn in connection with the 2017 financing arrangement, and a variable-rate loan of EUR 2,500 thousand drawn in 2019.

The table below provides information on loans (loans are undiscounted):

Note	Drawn down	Ending date	Interest rate%	Loan amortization	31 Dec 2020	31 Dec 2019
Loan 1	2014	10/9/20	3.75%	monthly	0	597
Loan 2	2017	11/30/20	3.75%	monthly	0	515
Loan 3	2017	5/30/22	4.15%	bullet	2,065	2,065
Loan 4	2019	3/28/23	4.75%+6 month euribor	half-year	1,563	2,188
Loan 5	2016	5/30/22	3.8%+3.8%	bullet	1,977	1,905
Loan 6	2017	9/30/20	0.00%	quarterly	0	95
Total					5,605	7,365

The interest rates on the loans ranged from 3.75% to 4.75%, with the capitalized interest rate for a EUR 1,977 thousand portion at 3.80% on the period ended December 31, 2020. The company's credit facility agreement totals EUR 5,500 thousand. The credit facility was not in use at the end of the accounting period on December 31, 2020. During the review period, Nixu signed a new EUR 4 million revolving credit facility agreement.

The loan drawn in 2014 matured on October 9, 2020 (on December 31, 2019, the outstanding amount was EUR 597 thousand). A part of the loans withdrawn in 2017 are paid at once on their due dates. The share of the loan paid off in monthly installments matured on November 30, 2020 (on December 31, 2019, the outstanding amount was EUR 515 thousand). The loan drawn in 2019 is being paid in half-yearly installments and will mature on March 28, 2023. As of December 31, 2020, the outstanding amount was EUR 1,563 (2,188) thousand.

The covenants for the credit facility and loans are as follows: equity ratio at least 30% up to the review date of June 30, 2022 and at least 32% always thereafter, and EBITDA of at least EUR 0 on the review date of December 31, 2020, at least EUR 380 thousand on the review date of June 30, 2021, and at least EUR 1,000 thousand on the review date of December 31, 2021. EBITDA on December 31, 2020 is calculated based on the fourth quarter of 2020 and EBITDA on June 30, 2021 is calculated based on the first half of 2021, after which EBITDA is calculated based on the previous 12 months. The Group's interest-bearing net debt/EBITDA indicator will be reviewed every six months on June 30 and December 31, with the first review on June 30, 2022. The net debt-to-EBITDA ratio may not exceed 3.7 up to the review date of June 30, 2022, 3.25 up to the review date of December 31, 2022, and 3.0 up to subsequent review dates.

The Group met the covenant conditions related to the loans on December 31, 2020. In the comparison period, the Group did not meet the covenant conditions relating to the loans, and on December 31, 2019, the non-current portion of the loans, amounting to EUR 5,533 thousand, was classified under current liabilities. In the current view, the Group will meet the covenant conditions relating to the loans on June 30, 2021, and the loans will be classified as non-current and current.

Derivative Financial Instruments

At the closing of accounts, on December 31, 2020, the Group held one interest swap contract (two interest swap contracts). On June 31, 2020, the fair value of the derivatives was negative EUR 30 (39) thousand. Changes in the fair value of these derivatives were recognized as financial expenses in the income statement. The nominal value of interest rate swap on December 31, 2020 was EUR 2,065 (2,364) thousand. For each swap, the company receives a floating rate (EURIBOR 3 months and 6 months respectively) and pays a fixed coupon rate (0.44% and 0.81% respectively). The interest rate swap will mature in 2022. These derivative financial instruments are classified as level 2 in the fair value hierarchy, and their fair value is calculated as the current value of estimated future cash flows based on observable yield curves.

5.2 Equity

Payments of dividends

No dividends have been paid in the 2020 financial period (2019: 0).

6 Other relevant notes

6.1 Related Party Transactions

The following transactions were carried out with related parties:

EUR thousand	1 July - 31 Dec 2020	1 July - 31 Dec 2019	1 Jan - 31 Dec 2020	1 Jan - 31 Dec 2019
Purchases of services	0	1	0	3

Purchases of services

EUR thousand	31 Dec 2020	31 Dec 2019
Loan receivables from Leadership Team	0	30

The loans receivable are associated with the company's share-based incentive scheme described in note 3.2

6.2 Contingencies and Commitments

EUR thousand	31 Dec 2020	31 Dec 2019
Mortgages given on own behalf:		
Business mortgages	10,118	10,118
Loan amount	5,592	7,338
Other commitments		
EUR thousand	31 Dec 2020	31 Dec 2019
Rental deposits	269	269

Addendum 1

– The Corporation's key figures

In this release, Nixu presents certain indicators associated with the company's financial standing and result for the accounting period. Not all of the indicators are key figures pursuant to IFRS standards and, therefore, should be considered alternative indicators.

Nixu presents EBITDA, adjusted EBITDA, EBIT, adjusted EBIT, equity ratio, net interestbearing debt, net gearing, EBITDA and EBIT adjusted for non-recurring items as well as EBIT and EBITDA margin adjusted for non-recurring items as alternative indicators and additional information for the key figures that are presented herein in accordance with IFRS standards. It is the Management Team's opinion that these indicators provide significant additional information on the company's statement of comprehensive income and balance sheet. The indicators are widely used by analysts, investors and other parties, and provide additional information for analyzing the result of Nixu's operations and capital structure.

Alternative performance measures should not be viewed in isolation or as a substitute to measures presented in the audited IFRS financial statements. Companies do not calculate alternative performance measures in a uniform manner, and therefore Nixu's alternative performance measures may not be comparable with similarly named measures presented by other companies.

Key figures (IFRS)

EUR thousand	1 July - 31 Dec 2020	1 July - 31 Dec 2019	1 Jan - 31 Dec 2020	1 Jan - 31 Dec 2019
Revenue	25,617	25,483	53,272	51,168
Profit/loss for the period	-378	-4,006	-1,835	-3,518
Earnings per share (EUR)	-0.05	-0.54	-0.25	-0.48
EBITDA	2,836	-929	2,895	1,047
EBITDA, % of net sales	11.1 %	-3.6 %	5.4 %	2.0 %
Adjusted EBITDA ¹	2,776	-529	3,687	1,525
Adjusted EBITDA, % of net sales ¹	10.8 %	-2.1 %	6.9 %	3.0 %
EBIT	364	-3,664	-702	-2,628
EBIT, % of net sales	1.4 %	-14.4 %	-1.3 %	-5.1 %
Adjusted EBIT ¹	304	-3,264	90	-2,150
Adjusted EBIT % ¹	1.2 %	-12.8 %	0.2 %	-4.2 %

¹ Extraordinary, non-recurring events that do not belong to normal business operations are handled as adjustment items. Such extraordinary items are, for example, non-recurring costs related to restructurings and acquisitions and that are included in other operating expenses. The non-recurring costs included in the operating profit of January-December 2020 were EUR 792 thousand (478). The non-recurring costs included in the operating profit of July-December 2020 were EUR -60 thousand (400).

EUR thousand	31 Dec 2020	31 Dec 2019
Equity ratio, %	34.4 %	37.3 %
Net interest-bearing debt	2,244	6,988
Net gearing, %	16.0 %	45.4 %

Reconciliation of Alternative Key Figures

	1 July - 31 Dec 2020	1 July - 31 Dec 2019	1 Jan - 31 Dec 2020	1 Jan - 31 Dec 2019
Operating result	364	-3,664	-702	-2,628
+Depreciation and amortization	2,472	2,735	3,597	3,675
=EBITDA	2,836	-929	2,895	1,047
EBITDA	2,836	-929	2,895	1,047
+ Costs related to restructuring and business combinations	-60	400	792	478
=Adjusted EBITDA	2,776	-529	3,687	1,525
Operating result	364	-3,664	-702	-2,628
+ Costs related to restructuring and business combinations	-60	400	792	478
=Adjusted operating result	304	-3,264	90	-2,150

Formulas for Calculating Key Figures

EBITDA is calculated by adding depreciation and amortization to the operating result.

Adjusted EBITDA is calculated by adding adjustment items to EBITDA.

Adjustment items are material items outside the ordinary course of business, related to the cost of restructuring and acquisitions.

Adjusted EBIT is calculated by adding adjustment items to EBIT.

Equity ratio is calculated by dividing total equity by total balance sheet less received advances.

Net interest-bearing debt Cash and cash equivalents deducted from total financial debt (current and non-current borrowings).

Net gearing is calculated by dividing net debt by total equity.

Earnings per share, basic is calculated by dividing total result attributable to owners of the parent by average number of outstanding shares during period.

Earnings per share, diluted is calculated by dividing total result attributable to owners of the parent by average number of diluted outstanding shares during period.

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Nixu in Brief:

Nixu is a cybersecurity services company on a mission to keep the digital society running. Our passion is to help organizations embrace digitalization securely. Partnering with our clients we provide practical solutions for ensuring business continuity, an easy access to digital services and data protection. We aim to provide the best workplace to our team of about 400 cybersecurity professionals with a hands-on attitude. With Nordic roots we serve enterprise clients worldwide. Nixu shares are listed on the Nasdaq Helsinki stock exchange

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