



Financial Statements Release 1.1.–31.12.2022 (IFRS)

Nixu Corporation
Stock Exchange Release
February 9, 2023 at 8:00 AM EET

A clear turnaround – many opportunities ahead

Highlights for July–December 2022:

- Revenue: EUR 31,642 (25,089) thousand, change +26%.
- EBITDA: EUR 2,032 (667) thousand, share of revenue: 6% (3%).
- Adjusted EBITDA: EUR 2,128 (731) thousand, share of revenue: 7% (3%).
- EBIT: EUR 1,117 (-289) thousand, share of revenue: 4% (-1%).
- Nixu's new CEO Teemu Salmi started in the position on August 1, 2022.
- Nixu launched a strategy update project
- Nixu signed a significant cybersecurity framework agreement.

Highlights for January–December 2022:

- Revenue: EUR 60,222 (51,809) thousand, change +16%.
- EBITDA: EUR 2,409 (1,473) thousand, share of revenue 4% (3%).
- Adjusted EBITDA: EUR 2,480 (1,929) thousand, share of revenue 4% (4%).
- EBIT: EUR 564 (-444) thousand, share of revenue 1% (-1%).
- The company extended the maturity of its financing.

Financial Guidance for 2023

Nixu estimates its revenue to be EUR 66–70 million and profitability to improve.

Key Figures

EUR thousand	1 July – 31 Dec 2022	1 July – 31 Dec 2021	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Revenue	31,642	25,089	60,222	51,809
Profit/loss for the period	799	-532	42	-984
Earnings per share (EUR)	0.11	-0.07	0.01	-0.13
EBITDA	2,032	667	2,409	1,473
EBITDA, % of net sales	6.4%	2.7%	4.0%	2.8%
Adjusted EBITDA ¹	2,128	731	2,480	1,929
Adjusted EBITDA, % of net sales ¹	6.7%	2.9%	4.1%	3.7%
EBIT	1,117	-289	564	-444
EBIT, % of net sales	3.5%	-1.2%	0.9%	-0.9%
Adjusted EBIT ¹	1,213	-226	634	13
Adjusted EBIT % ¹	3.8%	-0.9%	1.1%	0.0%

¹ Adjustment items are exceptional and non-recurring events that are not ordinary course of business. Such exceptional items include e.g. other operating expenses related to reorganization and business combinations. January–December 2022 EBITDA included the non-recurring costs EUR 71 (456) thousand. July–December 2022 EBITDA included the non-recurring costs EUR 96 (64) thousand.

EUR thousand	31 Dec 2022	31 Dec 2021
Equity ratio, %	30.6%	31.5%
Net interest-bearing debt	3,199	3,237
Net gearing, %	25.2%	25.3%

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

Teemu Salmi, CEO of Nixu:

Year 2022 was in many ways a successful one for Nixu. We returned back on track for growth and our profitability also clearly improved. Additionally, we outperformed the cybersecurity market when it comes to growth. This good financial performance was the result of the changes made in the previous year and the hard work of Nixu's employees to achieve our common goals.

During the year 2022, we focused on growth and ensuring profitability and efficiency of our operations. After the pandemic receded from the Nordic region, the market evolved rapidly. Many organizations are now more willing to use external partners to maintain, strengthen, and develop their cybersecurity environment. This supported our own efforts and contributed to Nixu's return to a profitable growth path.

Our revenue increased by 16% year-on-year to EUR 60 million. Similarly, our profitability strengthened, and EBITDA increased by 64% to EUR 2.4 million. Additionally, our orders received during 2022 grew by 35% to 68.4 million euros. Our book-to-bill ratio was 114% at the end of the year. The positive trend strengthened as we moved to the end of the year, which led us to raise our financial guidance in October. This all promises well for the future.

The demand for managed services was strong, and we managed to increase our client base. The revenue of Nixu's managed services business increased by 10% compared to the previous year (revenue increased by 30% during the second half of the year), and profitability also developed positively. Growth and profitability in professional services were also strong. Managed services and professional services accounted for 21% and 74% of Nixu's revenue respectively.

During the year, we signed a number of significant client contracts, many of them with existing clients. Our relationships with our clients are long-lasting, and we work closely together in true partnership. One proof point is that almost 90% of our clients return year-over-year with new orders. We measure our client satisfaction using net promoter score, which shows that we are at an excellent level, ending at 57 as a result for the full year of 2022.

During the second half of 2022, we were running a strategy update project where we focused on outside-in data points, as well as our current strengths, to look at how to take Nixu to the next level. Our updated strategy is called "Next Nixu". Our strategic ambition by 2025 is to reach revenue exceeding EUR 100 million and an adjusted EBIT of more than 10%. In addition, Nixu aims to have a more balanced geographical distribution of revenue and a higher share of recurring revenues.

I took over as CEO in August 2022, and the past few months have been very much focused on building a platform for future profitable growth. I would like to thank Valterri Peltomäki for a smooth transition and all our employees for the warm welcome and hard work done during the year. I would like to thank all our clients for the good cooperation and the trust given to us and our shareholders and partners for supporting our journey towards "Next Nixu".



Next Nixu – The way forward

During the second half of 2022, Nixu began a strategy update project aiming at finding the means for taking the company to the next level. This was done with an outside-in approach building on Nixu's current strengths. Nixu aims at accelerated growth and improved profitability. To support these goals, Nixu decided to look at the trends and the market within its industry together with Nixu's own client research Nixu Cybersecurity Index: https://www2.nixu.com/Cybersecurity_Index_22_download.

The updated strategy, launched in February 2023, goes under the name "Next Nixu". In accordance with the new strategy, Nixu is now guided by a new vision statement: *We shape the future through cybersecurity for people, business, and society to achieve greatness.*

With a strategy to 2025, Nixu aims for revenue exceeding EUR 100 million and an adjusted EBIT of more than 10%. In addition, Nixu aims to have a more balanced geographical distribution of revenue and a higher share of recurring revenues (previously presented as a continuous revenue).

Next Nixu strategy consists of six strategic focus areas. The first three areas are related to business growth, and the latter ones are growth enablers:

1) Focus on core business in Sweden and Finland

Nixu will develop its strong presence in Sweden and Finland by targeting the market with its full service offering.

2) Scale Managed Services business

Nixu will focus on scaling its Managed Services business to increase the number of clients and market share.

3) Expand and accelerate in other countries

Nixu will target new markets, such as Norway, with specific spearhead services to grow its client footprint and eventually scale its business by introducing the full portfolio to the new markets. Most of Nixu's revenue today comes from Finland, which will continue to be an important market. Nixu aims for even higher growth in other countries, so the geographical distribution of Nixu's revenue is expected to be more balanced by 2025.

4) Be the best workplace for cybersecurity professionals

Nixu wants to be the best workplace for cybersecurity professionals also in the future, as people are Nixu's most valuable asset. Nixu will focus on hiring and retaining professionals with a specific focus on attracting young talent.

5) Become the strongest cybersecurity brand – offering best client experience

Nixu will simplify its service portfolio and further develop its client-centricity to meet the clients' needs even better.

6) Improve operational efficiency

Nixu invests upfront in sales and ways of working to reach its future growth ambitions and improve operational efficiency.

The general business development will be supported by a stronger go-to-market focus and increased investment in service management, enabling Nixu to increase its footprint with existing clients.

The constantly evolving market for cybersecurity services offers Nixu good opportunities to complement the organic growth with inorganic growth. There are many small and mid-sized players in the sector, so continued and accelerated mergers and acquisitions can be expected. Nixu intends to be one of the consolidators moving forward.

Revenue and Result for July–December 2022

Nixu Group's revenue stood at EUR 31,642 (25,089) thousand. Revenue increased by 26% from the previous year. The Group's revenue change was organic.

Development of revenue by service type:

- Projects and assignments accounted for 45% (50%) of the revenue, a growth of 12% compared to the previous year.
- All continuous services accounted for 33% (35%) of the revenue, a growth of 22% from the previous year. All continuous services include:
 - Managed services, which accounted for 20% (19%) of the revenue, a growth of 35%.
 - Continuous services accounted for 13% (16%) of the revenue, a growth of 6% from the previous year.
- Technology resale accounted for 22% (15%) of the revenue.

Nixu's EBITDA was EUR 2,032 (667) thousand. The improvement of EBITDA is explained by growth in managed services and stronger profitability due to operational efficiency as well as better profitability in technology resale during the review period.

Adjusted EBITDA was EUR 2,128 (731) thousand. The adjusting items were EUR 96 (64) thousand and those were related to personnel costs resulting from reorganization both in the current and the comparison period.

Nixu's EBIT was EUR 1,117 (-289) thousand. In addition to the above, EBIT was affected by depreciations amounting to EUR 915 (957) thousand.

Financial income and expenses amounted to EUR -290 (-267) thousand.

Revenue and Result for January–December 2022

Nixu Group's revenue stood at EUR 60,222 (51,809) thousand. Revenue increased by 16% from the previous year.

Development of revenue by service type:

- Projects and assignments accounted for 47% (50%) of the revenue, increased by 10% compared to the previous year.
- All continuous services accounted for 34% (35%) of the revenue and increased by 11% compared to the previous accounting period. All continuous services include:
 - Managed services, which accounted for 20% (19%) of the revenue and increased by 19% compared to the previous accounting period.
 - Continuous services accounted for 14% (16%) share of the revenue and increased by 2% from the previous year.
- Technology resale accounted for 19% (15%) of the revenue.

Other operating income stood at EUR 44 (-123) thousand.

Nixu's EBITDA was EUR 2,409 (1,473) thousand. Improvement of EBITDA was obtained in the second half of the year with strengthened growth.

Adjusted EBITDA was EUR 2,480 (1,929) thousand. The adjustment items of EUR 71 (456) thousand were related to personnel costs resulting from reorganization both in the current and comparison period. Comparison period also includes adjustment to COVID-19 NOW benefits support received in the Netherlands in 2020.

Nixu's EBIT was EUR 564 (-444) thousand. In addition to the above, EBIT was affected by depreciations amounting to EUR 1,846 (1,917) thousand.

Financial income and expenses amounted EUR -580 (-514) thousand.

The result for the year was EUR 42 (-984) thousand.

Revenue and Result for October–December 2022

Nixu Group's revenue stood at EUR 17,191 (13,942) thousand. Revenue increased by 23% from the previous year.

Nixu's EBITDA was EUR 914 (473) thousand and adjusted EBITDA was EUR 1,010 (403) thousand.

Financing and Investments

On December 31, 2022, Nixu Group's balance sheet total was EUR 41,526 (40,710) thousand.

The company's cash in hand on December 31, 2022 was EUR 3,562 (4,080) thousand. The company has two credit facility agreements of EUR 1,500 thousand and EUR 4,000 thousand. The credit facility of EUR 4,000 thousand is maturing on April 30, 2023. A total of EUR 981 thousand of the credit facilities were in use at the end of the accounting period on December 31, 2022.

In the next 12 months a loan of EUR 2,130 thousand is maturing.

Net liabilities on December 31, 2022 amounted to EUR 3,199 (3,237) thousand.

Net cash flow from operating activities was EUR 631 (138) thousand. Cash flow from operating activities was affected by improved profitability.

Net cash flow in July–December 2022 was EUR 1,258 (-813) thousand.

Personnel, Leadership and Management

The number of personnel was 393 (389) at the end of 2022.

The cross-border organizational model launched in 2021 enables Nixu's experts to increase competence with new international projects and client assignments. Nixu continues to support on-the-job learning with, among other things, training programs for new professionals in the field.

During 2022, Nixu's employees have been working in a flexible hybrid working model that combines remote and on-site working and the individual's right to influence their way of working. Nixu condemns Russia's attack on Ukraine and wishes to express its sympathy to those affected by the war. The company has no personnel in Russia, Belarus or Ukraine.

Nixu's employee satisfaction is measured quarterly. In 2022, job satisfaction remained at a good level. In the survey, the employees highlighted positive aspects, such as development opportunities brought by versatile tasks, a pleasant working community, maintaining a balance between work and free time and learning from colleagues, as well as professional helpfulness.

Nixu continued to strengthen its image as an employer by promoting cooperation between Nixu's personnel and the wider cybersecurity talent community with various events and workshops. The company organized and supported several cybersecurity related events, collaborated with educational institutions in the field, and strive to promote cybersecurity at a social level in the countries of operation.

Management

During the accounting period, Nixu's Board of Directors consisted of Kimmo Rasila (Chairman), Marko Kauppi (Deputy Chairman), Jaya Baloo, Kati Hagros, Anders Silwer and Jari Niska until April 19, 2022. As of April 19, 2022 the Board of Directors consisted of Jari Niska (Chairman), Marko Kauppi (Deputy Chairman), Kati Hagros, Anders Silwer and a new member Joakim Karske.

The Audit Committee consisted of the following members until the AGM on April 19, 2022: Jari Niska (Chair), Marko Kauppi and Anders Silwer. As of April 19, 2022, the Audit Committee consisted of Marko Kauppi (Chair), Jari Niska and Anders Silwer.

In 2022, the Personnel and Remuneration Committee consisted of the following members until the AGM on April 19, 2022: Kati Hagros (Chair), Jaya Baloo and Kimmo Rasila. As of April 19, 2022, the Personnel and Remuneration Committee consisted of the following members: Kati Hagros (Chair), Joakim Karske and Jari Niska.

The auditor of the company was the authorized public accountants PricewaterhouseCoopers Oy and Panu Vänskä, Authorized Public Accountant acting as the principal auditor.

Members of Nixu Corporate Leadership Team during the accounting period:

- Teemu Salmi, Chief Executive Officer (as of August 1, 2022)
- Janne Kärkkäinen, Chief Financial Officer (deputy CEO)
- Nathalie van Delden, Chief People Officer (as of March 1, 2022)
- Björn-Erik Karlsson, SVP Expert Services
- Jan Mickos, SVP Managed Services
- Valtteri Peltomäki, interim Chief Executive Officer (1 Mar, 2022–31 Jul, 2022) and SVP Client Experience
- Pietari Sarjakivi, SVP Labs

- Petri Kairinen, Chief Executive Officer (until February 28, 2022)
- Katja Müller, Chief People Officer (until February 28, 2022)

Key Figures for Personnel

	2022	2021	2020
Average number during the accounting period	392	385	399
Wages and salaries during the accounting period (EUR 1,000)	27,546	25,841	27,505
Average employment (years)	4.4	4.7	5.0
Average age (years)	40.0	40.7	41.8
Permanent employees	97%	98%	99%
Part-time employees	4%	6%	5%
Women's share of the group's personnel	25%	24%	21%

Annual General Meeting 2022

Nixu's Annual General Meeting (AGM) was held on April 19, 2022. 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 period 1 January–31 December 2021.

Nixu Corporation's Board of Directors were elected Kati Hagros, Marko Kauppi, Jari Niska, Anders Silwer, and a new member Joakim Karske. Jari Niska was elected Chairman of the Board of Directors.

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 profit from the financial year would be transferred to the retained earnings account and that no dividend was paid for 2021.

The AGM approved all proposals made by the Board of Directors as described in the Notice to the AGM published on March 25, 2022. The resolutions of the AGM can be found in the Company's stock exchange release on April 19, 2022, and on the company's website <https://www.nixu.com/investors/nixu-agm-2022>.

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.

Nixu Corporation's Board of Directors elected from among its members Marko Kauppi as Chair and Jari Niska and Anders Silwer as members of the Audit Committee.

Personnel and Remuneration Committee

The role of the Personnel and Remuneration Committee is to assist the Board of Directors in particular handling and preparing personnel and remuneration matters.

NIXU	Shares traded	Total value (EUR)	High (EUR)	Low (EUR)	Average price (EUR)	Latest (EUR)
Jan–Jun 2022	1,156,948	7,463,162	8.02	5.00	6.31	5.62
Jul–Dec 2022	633,770	3,958,899	7.84	4.74	6.12	7.32
Jan–Dec 2022	1,790,718	11,422,062	8.02	4.74	6.21	7.32

	December 31, 2022	December 31, 2021
Market capitalization (EUR)	54,491,302	52,114,325
Number of shareholders	5,209	5,152
Total number of shares	7,445,693	7,425,219
Number of the company's own shares held by the company	1,526	1,526

Nixu's Board of Directors elected from among its members Kati Hagros as Chair of the Personnel and Remuneration Committee, and Joakim Karske and Jari Niska 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 Main List of Nasdaq Helsinki Stock Exchange, under trading symbol NIXU.

The Board of Directors of Nixu Corporation resolved a directed share issue and a matching share plan "Matching Share Plan 2022" to the new CEO, Teemu Salmi. The plan consists of a directed share issue against payment (Share Issue 1/2022) whereby the CEO was offered maximum 22,000 new shares (New Shares) of Nixu Corporation, combined with the right of receiving, after a three-year retention period, two matching shares free of consideration for each full one New Shares subscribed in the Share Issue 1/2022. The Board of Directors of Nixu Corporation confirmed that the subscription price for the New Shares is the average weighted price of the share of Nixu Corporation in Nasdaq Helsinki Oy during the period between 14 February – 14 March 2022. It was confirmed that the subscription price for the New Shares is EUR 5.67 per share. A total of 22,000 new Nixu Corporation shares have been registered in the Trade Register, and the total subscription price of the new shares, EUR 124,740.00, was recorded in its entirety to the invested unrestricted equity of the company

Flagging Notifications

According to the announcement received by Nixu Corporation, the aggregate ownership of Aktia Mikro Markka, Aktia Nordic Micro Cap, Aktia Nordic Small Cap, Aktia Secura Investment funds, managed by Aktia Rahastoyhtiö Oy, increased above 5 percent on January 1, 2022. (Stock Exchange Release January 3, 2022)

Proposal for the distribution of profits

On December 31, 2022, the parent company's assets subject to profit distribution amounted to EUR 14,737,485.18 of which the loss for the year amounts to EUR 1,560,329.94. The Board of Directors proposes to the Annual General Meeting that no dividend be paid for 2022.

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

Research and Development

During 2022, Nixu implemented internal development projects and the Group recognized research and development costs amounting to EUR 724 (747) thousand through profit in the financial year that ended December 31, 2022.

The renewal of Nixu's managed security services continued in 2022. In addition to the previously launched cloud-native SOC and XDR solutions, Nixu has invested in developing security controls for business-critical applications and service management to meet client preferences.

In 2022, Nixu completed a development project aimed at ISO 27001 Certification. Throughout the project, Nixu has unified and further developed its information security management system processes and security practices across the Group. The certification was awarded to Nixu in March 2022.

Nixu is part of the Findynet Cooperative that is developing a general-purpose, shared, and secure verifiable data network, which ensures the authenticity of information required in electronic interactions. This public-private cooperation aims to strengthen Finland's leading position in digitalization and support the emergence of investments in new digital services. On August 31, 2022, the Finnish Ministry of Finance granted the Findynet Cooperative a three-million-euro government grant to build a pilot environment for a self-sovereign identity network.

In addition to income-funded development projects, Nixu has participated during 2022 in national and international projects, which have been financed by, among others, the EU and Business Finland. Among other things, Nixu has contributed to the foundations of digital society and data economy in several collaborative projects.

In 2022, a two-year CSG project, led by the University of Jyväskylä, was launched to improve the information security of industrial automation environments. Nixu's main goal in the project is to develop scalable information security controls for automation environments and to increase the level of automation of nonconformity detection and response.

Nixu participated in the 2022 VTT-led Mad@Work project. The project, conducted with the ITEA3 cluster consortium, leverages data collected from the work environment and other resources to improve employee well-being, safety, and performance as well as work environments. Nixu has offered its expertise by ensuring that the privacy and data protection of the project's data transfer has been adequately addressed.

Nixu also evaluates the privacy of AI solutions and matters related to ethical issues.

Nixu is a member of the MEDINA consortium (EU Horizon 2020, #952633). Established at the end of 2020, the three-year MEDINA project aims to provide a comprehensive framework that improves cloud client management and trust in cloud by supporting cloud service providers (IaaS, PaaS, and SaaS service providers) to achieve continuous certification under the EU Cybersecurity Act. Under the new EU Cybersecurity Act (EU CSA), the European ICT market should build trust through the 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 big negative impact on the company's result.

General economic uncertainty, along with increasing interest rates and inflation may have an effect on the demand of Nixu's services.

The war in Ukraine and its consequences is a material risk and uncertainty. Due to the war the risk of cyber threats has increased. This also increases the risk that Nixu would be a target for cyber threats. Nixu does not have any business in Russia, Belorussia or in Ukraine. Instead, some of Nixu's clients are still present in those countries.

Covid 19 has continued, and it may still change its characters, therefore Nixu Employees' health and ability to work, and thus the continuity of operations and services, are the most significant Covid-19 specific risk for Nixu. The hybrid way of working may also have negative impact on the employee well-being and in addition the turnover of employees may increase because of frustration in relation to it.

There is a strong demand for skilled cybersecurity professionals in the current labour market, which has increased employee turnover and can lead to slower recruitment and increased salary costs. The demand for the services provided by Nixu may decrease if Nixu is unable to maintain the competence of its personnel at the correct technical level and adapt to changes in clients' business operations.

Nixu Certification LTD's business is based on its right to act as an accredited company. Should Nixu Certification lose that right, it would have an effect on Nixu's profitability.

There are operational risks involved in Nixu's business activities, such as malfunctions in IT systems and equipment, or an interruption in their availability. These may lead to the company not being able to produce its services as agreed. In addition, unexpected and continued lack of electricity supply caused by ongoing energy crisis may influence Nixu's capability to deliver services as planned.

Nixu handles client 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 its activities, Nixu processes personal data of its clients. In addition, Nixu is the controller of the personal data of its own personnel. Eventual shortcomings in following the legislation, 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. There may also be problems in providing continuous services, which may accrue additional costs to Nixu. In its activities, Nixu has a normal 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 aforementioned reasons may seriously disrupt Nixu's operations.

Nixu's business requires remarkable 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 Nixu include conventional covenant conditions, which, if breached, may have an effect to 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.

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. Increased co-operation with strategic technology partner collaboration may lead, in case of non-successful co-operation to increased costs or loss of said partnership.

Events After the Review Period

There have been no material events concerning the company since the end of the accounting period.

Future outlook

Rapid digitalization, geopolitical turbulence, and the rise of cybercrime keep contributing to the cybersecurity market growth. According to research company Gartner, global cybersecurity spend will grow 11,3% in 2023. Cybersecurity market growth in highly digitalized Northern European countries is expected to be faster than in global markets in 2023–2026 (Gartner 2022).

Market growth is increasing the need for skilled professionals in the cybersecurity domain, and according to ISC2, the worldwide gap of cybersecurity experts is estimated to be 3.4 million persons. Due to the increasing demand for cybersecurity expertise, organizations will continue to have the need for the services of cybersecurity companies that are better positioned to grow talent. Geopolitics and countries' growing need to build resilience with local cybersecurity services and specialists affect market dynamics.

Increased legislation and business-interrupting cyber incidents witnessed during past years have raised overall cybersecurity awareness among leaders. These, together with physical safety risks introduced by cyber-physical systems, have raised cybersecurity to be the topic in boardrooms. To manage these risks, organizations seek to benchmark and control their integral supply chain vendors.

Nixu believes that over the next few years, the market will continue its consolidation and mature while the clients will have confidence in only a few larger companies they partner with. Nixu has gained the position of a trusted partner among many of its clients. With this position, clients wish Nixu to solve ever more diverse challenges. Hence, Nixu's holistic services expand the average size of a client relationship. Typically, Nixu's client base is very stable, and client relationships last for a long time, allowing the building of client-specific expertise.

Source:

Gartner Forecast: Information Security and Risk Management, Worldwide, 2020–2026 (ISC)2 Cybersecurity Workforce study 2022

Financial reporting in 2023

The planned date for the Annual General Meeting is Thursday, April 27, 2023.

Nixu will be publishing operating profit (EBIT) and adjusted operating profit (EBIT) in Q1 and Q3 reports instead of EBITDA and adjusted EBITDA. Operating result 1Q2022 was EUR -687 thousand and adjusted operating result EUR -712 thousand. Operating result 3Q2022 was EUR 642 thousand and adjusted operating result EUR 642 thousand.

Nixu will publish its half-year financial report for January–June 2023 on Thursday, August 10, 2023. In accordance with its disclosure policy, Nixu will publish revenue, EBIT and adjusted EBIT information from the first and third quarters, as well as the CEO's overview in addition to the half-year financial report and financial statements. The Q1/2023 CEO's overview, revenue, EBIT and adjusted EBIT information will be published on April 20, 2023, and Q3/2023 will be published on October 18, 2023.

Nixu will organize a results briefing for analysts, investors and media representatives on February 9, 2023 at 2:00 PM EET. The event will be available through a live webcast at <https://nixu.videosync.fi/2022-q4-results>.

Espoo, February 8, 2023

Nixu Corporation

The Board of Directors

Consolidated statement of comprehensive income

EUR thousand	1 July – 31 Dec 2022	1 July – 31 Dec 2021	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Revenue	31,642	25,089	60,222	51,809
Other operating income	6	153	44	-123
Materials and services	-9,863	-6,585	-17,801	-12,944
Employee benefit expenses	-16,466	-15,150	-33,626	-31,791
Other operating expenses	-3,286	-2,841	-6,429	-5,479
Depreciation and amortization	-915	-957	-1,846	-1,917
Operating result	1,117	-289	564	-444
Finance income	1	6	1	27
Finance expenses	-263	-232	-521	-453
Interest expenses on lease payments	-28	-41	-61	-87
Finance income and expenses, net	-290	-267	-580	-514
Result before taxes	827	-556	-17	-958
Income tax expense	-28	25	59	-26
Result for the period	799	-532	42	-984
Other comprehensive income				
Items that may be reclassified to profit or loss:				
Translation differences	-173	-62	-391	-101
Other comprehensive income for the period, net of tax	-173	-62	-391	-101
Total comprehensive income for the period	626	-594	-349	-1,085
Result for the period attributable to:				
Owners of the parent	799	-532	42	-984
Result for the period	799	-532	42	-984
Total comprehensive income for the period attributable to:				
Owners of the parent	626	-594	-349	-1,085
Total comprehensive income	626	-594	-349	-1,085
Earnings per share for profit attributable to the owners of the parent during the year				
Basic and diluted earnings per share, EUR	0.11	-0.07	0.01	-0.13

Consolidated Statement of Financial Position

EUR thousand	31 Dec 2022	31 Dec 2021
ASSETS		
Non-current assets		
Goodwill	12,227	12,613
Other intangible assets	1,624	2,093
Tangible assets	148	253
Right-of-use assets	1,435	2,139
Other receivables	265	265
Shares and similar rights of ownership	71	30
Deferred tax assets	270	170
Total non-current assets	16,040	17,563
Current assets		
Trade receivables and other receivables	21,905	18,734
Current income tax receivables	20	333
Cash and cash equivalents	3,562	4,080
Total current assets	25,486	23,148
TOTAL ASSETS	41,526	40,710
EQUITY AND LIABILITIES		
Equity		
Share capital	95	95
Invested unrestricted equity reserve	19,439	19,314
Translation differences	-856	-465
Retained earnings	-6,013	-5,149
Result for the period	42	-984
Total equity attributable to owners of the parent	12,707	12,811
Liabilities		
Non-current liabilities		
Borrowings	1,622	2,365
Lease liabilities	531	900
Deferred tax liabilities	185	195
Other non-current liabilities	289	283
Total non-current liabilities	2,627	3,743
Current liabilities		
Borrowings	3,690	2,686
Lease liabilities	918	1,366
Trade payables and other payables	21,583	20,080
Current income tax liabilities	2	24
Total current liabilities	26,193	24,157
Total liabilities	28,820	27,899
TOTAL EQUITY AND LIABILITIES	41,526	40,710

Notes are an integral part of the Financial Statements.

Consolidated statement of cash flows

EUR thousand	1 July – 31 Dec 2022	1 July – 31 Dec 2021	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Cash flows from operating activities				
Result for the period	799	-532	42	-984
Adjustments for:				
Depreciation and amortization	915	957	1,846	1,917
Unrealized foreign exchange differences	0	0	135	0
Other non-cash adjustments	155	72	139	-100
Finance income and expenses, net	290	261	580	507
Income tax expense	28	-25	-59	26
Changes in working capital				
Change in trade receivables and other receivables	-3,098	-2,459	-3,318	-2,596
Change in inventories	0	6	0	6
Change in trade payables and other payables	1,978	1,948	1,558	2,814
Interests paid	-171	-223	-420	-378
Other finance income and expenses, net	-34	-32	-127	-54
Income taxes paid	261	-787	256	-1,019
Net cash flows generated from operating activities	1,258	-813	631	138
Cash flows from investing activities				
Purchases of tangible assets	-1	-10	-1	-10
Purchases of intangible assets	0	-8	0	-8
Investments in other financial assets	11	-19	11	-19
Proceeds from loans receivable	-2	0	-2	0
Net cash from investing activities	8	-37	8	-37
Cash flows from financing activities				
Proceeds from issues of shares and other equity securities	0	0	125	0
Proceeds from borrowings	365	0	981	0
Repayments of borrowings	-450	-313	-763	-625
Lease liability repayments	-671	-718	-1,397	-1,398
Net cash from financing activities	-756	-1,030	-1,054	-2,023
Net decrease(-)/increase in cash and cash equivalents	509	-1,880	-415	-1,921
Cash and cash equivalents at the beginning of the period	3,113	5,978	4,080	6,031
Exchange gains/losses (-) on cash and cash equivalents	-60	-18	-103	-30
Cash and cash equivalents at the end of period	3,562	4,080	3,562	4,080

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 2021	95	19,314	-364	-5,038	14,007
Result for the period				-984	-984
Other comprehensive income for the period:					
Translation differences			-101		-101
Total comprehensive income for the period	0	0	-101	-984	-1085
Transactions with owners:					
Share-based payments				-111	-111
Total transactions with owners:	0	0	0	-111	-111
Equity at 31 Dec 2021	95	19,314	-465	-6,133	12,811
Equity at 1 Jan 2022	95	19,314	-465	-6,133	12,811
Result for the period				42	42
Other comprehensive income for the period:					
Translation differences			-391		-391
Total comprehensive income for the period	0	0	-391	42	-349
Transactions with owners:					
Share issue related to 2022 share-based compensation deducted with transaction costs		125			125
Share-based payments				120	120
Total transactions with owners:	0	125	0	120	245
Equity at 31 Dec 2022	95	19,439	-856	-5,971	12,707

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 2021, excepting those specified by new and revised standards that became effective on January 1, 2022. 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 8, 2023.

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 here 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 Financial Statement. Companies do not calculate alternative performance measures in a uniform way, and therefore Nixu's alternative performance measures may not be comparable with similarly named measures presented by other companies.

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 Group has estimated the possible effects of the war in Ukraine, high inflation and rising interest rates on financial reporting.

In general, the war in Ukraine has not had a significant impact on Nixu's figures and asset values in the 2022 period. Nixu does not have any business in Russia, Belorussia or in Ukraine, instead some of Nixu's clients are present in those countries.

General economic uncertainty, such as increasing interest rates and inflation, may have an effect on the demand of Nixu's services and company's personnel and other costs.

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

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 2022	1 July – 31 Dec 2021	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Service type:				
Projects and assignments	14,088	12,610	28,527	26,003
Total continuous services	10,582	8,674	20,247	18,241
Managed services	6,446	4,776	11,828	9,953
Continuous services	4,137	3,898	8,419	8,287
Technology resell	6,971	3,805	11,448	7,566
Total	31,642	25,089	60,222	51,809

Revenue by geographical area:

EUR thousand	1 July – 31 Dec 2022	1 July – 31 Dec 2021	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Finland	19,770	14,498	36,002	29,923
Denmark	4,311	3,604	8,527	7,594
Sweden	5,098	4,955	10,724	9,836
Benelux	622	622	1,390	1,422
Norway	1,036	405	1,777	1,061
Other	539	1,005	1,801	1,973
Total	31,642	25,089	60,222	51,809

The geographical breakdown of revenue is based on the locations of the client 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 2022	1 July – 31 Dec 2021	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Result for the period attributable to the owners of the parent	799,298	-531,885	41,887	-983,760
Weighted average number of shares, undiluted	7,445,693	7,423,693	7,437,797	7,418,602
Earnings per share, basic (EUR)	0.11	-0.07	0.01	-0.13
Impact of shares related to share based incentive plan	44,000	0	28,208	0
Weighted average number of shares, fully diluted	7,489,693	7,423,693	7,466,005	7,418,602
Earnings per share, diluted (EUR)	0.11	-0.07	0.01	-0.13

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 2022	1 July – 31 Dec 2021	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Wages and salaries	13,432	12,216	27,546	25,841
Social security expenses	896	1,039	1,895	2,017
Share-based payments	77	-52	133	82
Pension expenses - defined contribution plans	2,061	1,948	4,052	3,850
Total	16,466	15,150	33,626	31,791

3.2 Share-Based Payments

The 2022 share-based incentive scheme

The Board of Directors of Nixu Corporation has resolved a directed share issue and a matching share plan "Matching Share Plan 2022" to the new CEO, Teemu Salmi. The plan consisted of a directed share issue against payment (Share Issue 1/2022) whereby the CEO was offered maximum 22 000 new shares (New Shares) of Nixu Corporation, combined with the right of receiving, after a three years retention period, two matching shares free of consideration for each full one New Shares subscribed in the Share Issue 1/2022.

The Board of Directors of Nixu Corporation determined the subscription price based on the average weighted price of the share of Nixu Corporation in Nasdaq Helsinki Oy during the period between 14 February – 14 March 2022. It was confirmed that the subscription price for the New Shares is EUR 5.67 per share.

A total of 22,000 new Nixu Corporation shares were subscribed and the total subscription price of the new shares, EUR 124,740.00, was recorded in its entirety to the invested unrestricted equity of the company.

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 client 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: 2019A: EUR 12.09, 2019B: EUR 9.48, 2019C: EUR 9.95.

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.

The Board of Directors decided to postpone the subscription period of option series 2019A and the period of achievement of the related performance targets so that the subscription period begins on 31 December 2022 and ends on 31 August 2024. According to the original decision, the subscription period for option series 2019A was 1 October 2021–31 May 2023. The performance targets set by the company remained unchanged.

In accordance with the decision of the Annual General Meeting held on April 19, 2022, the members of the Board of Directors were paid 30% of the annual remuneration in Nixu Corporation shares acquired from the market. The total amount of the share based payment was EUR 47 thousand.

4 Acquisitions and intangible assets

This section presents details concerning 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

There were no acquisitions during the review period.

4.2 Intangible Assets

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

EUR thousand	31 Dec 2022	31 Dec 2021
Net book amount at 1 January	14,706	15,226
Additions	0	8
Disposals	-8	0
Exchange differences	-460	-129
Amortization	-387	-399
Net book amount at 31 December	13,851	14,706

On December 31, 2022, the amount of goodwill was EUR 12,227 (12,613) thousand, the amount of customer relationships EUR 1,624 (2,085) thousand and the amount of other intangible assets EUR 0 (8) thousand.

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 2022	31 Dec 2021
Non-current borrowings		
Loans from financial institutions	1,622	2,365
Lease liabilities	531	900
Total non-current borrowings	2,153	3,265
Loans from financial institutions	3,690	2,686
Lease liabilities	918	1,366
Total current loans	4,608	4,052
Total loans	6,762	7,317
Less cash and cash equivalents	3,562	4,080
Net debt	3,199	3,237

Borrowings

On December 31, 2022, 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. Nixu renegotiated the financing agreement for a EUR 2,065 thousand bullet loan withdrawn in 2017 in April 2022. EUR 1,032 thousand of this loan will remain as a bullet loan whose maturation date has been postponed until May 30, 2026, while EUR 1,033 thousand of the loan will be paid off in quarterly instalments. In the financing agreement, an interest rate collar connected to a reference rate was agreed on for the loan. At the same time, the credit facility of EUR 4,000 thousand was extended until April 30, 2023.

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

EUR thousand	Drawn down	Maturity	Interest rate	Installment	Remaining Debt 31 Dec 2022	Remaining Debt 31 Dec 2021
Loan 1a	2022/2017	5/30/26	3.95%+6 month euribor	quarterly	895	0
Loan 1b	2022/2017	5/30/26	3.95%+6 month euribor	bullet	1,032	2,065
Loan 2	2019	3/28/23	2.75%+6 month euribor	half-on-year	313	938
Loan 3	2017	5/30/23	3.8%+3.8%	bullet	2,130	2,052
Total					4,370	5,055

The interest rates on the loans ranged from 2.75% to 3.95%, with the capitalized interest rate for a EUR 2,130 thousand portion at 3.80% on the period ended December 31, 2022. The company has a total of two credit facilities of EUR 1,500 thousand and EUR 4,000 thousand. The EUR 4,000 thousand credit facility matures on April 30, 2023. A total of EUR 981 thousand of the credit facilities were in use at the end of the accounting period on December 31, 2022.

The loan drawn in 2019 is being paid in half-yearly installments and will mature on March 28, 2023. As of December 31, 2022, the outstanding amount was EUR 313 (938) thousand.

The covenants for the loans and credit facilities are as follows: equity ratio at least 32%. The formula for calculating the equity ratio differs from the official calculation formula. The Group's interest-bearing net debt/EBITDA indicator will be reviewed every six months on June 30 and December 31. The net debt-to-EBITDA ratio may not exceed 3.25 up to the review date of December 31, 2022, and 3.0 up to subsequent review dates. Formula for calculating net debt and equity ratio deviates from the official definition in the the covenant calculation in that loan three is counted as equity instead of debt.

The Group met the covenant conditions related to the loans on December 31, 2022. As the covenant conditions were met on December 31, 2022, the loans were classified as non-current and current.

Derivative Financial Instruments

At the closing of accounts, on December 31, 2022, the Group does not have an interest rate swap (December 31, 2021 one interest swap contract).

At the closing of accounts, on December 31, 2022, The Group has an interest rate collar connected to a reference rate, which is valid for four years from May 30, 2022 onwards. Interest rate collar applies to renegotiated loans in 2022 (loans 1a and 1b). During the validity of the interest rate collar, the minimum reference rate is 1.12% and the maximum is 2.80%. The interest rate collar has not had a protective effect at the closing of accounts.

5.2 Equity

Payments of dividends

No dividends have been paid in the 2022 financial period (2021: 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 2022	1 July – 31 Dec 2021	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Purchases of services	0	2	2	2

6.2 Contingencies and Commitments

EUR thousand	31 Dec 2022	31 Dec 2021
Mortgages given on own behalf:		
Business mortgages ¹	10,118	10,118
Loan amount	4,370	4,938
Other commitments		
EUR thousand	31 Dec 2022	31 Dec 2021
Rental deposits	265	265

¹ Business mortgages of Nixu Oyj and shares of Nixu Ab (100 pcs) and Nixu A/S (100 pcs) were used as collateral for Nixu Corporation's 4,4 MEUR financial institution loan and 5,5 MEUR credit limits. A total of EUR 981 thousand of the credit facilities were in use at the end of the review period.

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 2022	1 July – 31 Dec 2021	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Revenue	31,642	25,089	60,222	51,809
Profit/loss for the period	799	-532	42	-984
Earnings per share (EUR)	0.11	-0.07	0.01	-0.13
EBITDA	2,032	667	2,409	1,473
EBITDA, % of net sales	6.4%	2.7%	4.0%	2.8%
Adjusted EBITDA ¹	2,128	731	2,480	1,929
Adjusted EBITDA, % of net sales ¹	6.7%	2.9%	4.1%	3.7%
EBIT	1,117	-289	564	-444
EBIT, % of net sales	3.5%	-1.2%	0.9%	-0.9%
Adjusted EBIT ¹	1,213	-226	634	13
Adjusted EBIT % ¹	3.8%	-0.9%	1.1%	-0.0%

¹ Adjustment items are exceptional and non-recurring events that are not ordinary course of business. Such exceptional items include e.g. other operating expenses related to reorganization and business combinations. The non-recurring costs included in the operating profit of January–December 2022 were EUR 71 thousand (456). The non-recurring costs included in the operating profit of July–December 2022 were EUR 96 thousand (64).

EUR thousand	31 Dec 2022	31 Dec 2021
Equity ratio, %	30.6%	31.5%
Net interest-bearing debt	3,199	3,237
Net gearing, %	25.2%	25.3%

Reconciliation of Alternative Key Figures

	1 July – 31 Dec 2022	1 July – 31 Dec 2021	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Operating result	1,117	-289	564	-444
+Depreciation and amortization	915	957	1,846	1,917
=EBITDA	2,032	667	2,409	1,473
EBITDA	2,032	667	2,409	1,473
+ Adjusted items	96	64	71	456
=Adjusted EBITDA	2,128	731	2,480	1,929
Operating result	1,117	-289	564	-444
+ Adjustment items	96	64	71	456
=Adjusted operating result	1,213	-226	634	13

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.

Further information:

CEO Teemu Salmi, Nixu Corporation

e-mail: teemu.salmi@nixu.com

Distribution:

Nasdaq Helsinki

Main media

www.nixu.com

Nixu in brief:

Nixu is a cybersecurity services company that has been shaping the future through cybersecurity for over three decades. We make cyberspace a secure place and help our clients ensure their business resilience with peace of mind. Nixu has Nordic roots, and we employ around 400 of the best professionals in Finland, Sweden, the Netherlands, Denmark, and Romania. Our experts are safeguarding the most demanding environments of some of the largest organizations in the world across all industries. Nixu shares are listed on the Nasdaq Helsinki Stock Exchange.

www.nixu.com

nixu
cybersecurity.

