



Half-Year Financial Report 2021

For January 1 – June 30, 2021

Improved profitability and building up for growth

Highlights for January–June 2021

- Revenue: EUR 26,720 thousand (27,655), change -3%.
Organic growth: -3%. Managed continuous services declined by -1% representing 19% of revenue.
- EBITDA: EUR 805 thousand (59), share of revenue: 3% (0%).
- Adjusted EBITDA: EUR 1,198 thousand (764), share of revenue: 5% (3%).
- EBIT: EUR -154 thousand (-1,066), share of revenue: -1% (-4%).
- Nixu reorganized its operations to increase cross-border alignment for improved customer experience, improved brand recognition and efficiency in staffing and deliveries.

Financial Guidance for 2021

Nixu changed its financial guidance for 2021 with a stock exchange release on June 23, 2021. According to the new guidance, Nixu estimates its revenue to remain on the same level and its EBITDA to decrease from 2020. Simultaneously investments to growth are increased.

Previous 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 Jan–30 Jun 2021	1 Jan–30 Jun 2020	1 Jan–31 Dec 2020
Revenue	26,720	27,655	53,272
Result of the period	-452	-1,457	-1,835
Earnings per share (EUR)	-0.06	-0.20	-0.25
EBITDA	805	59	2,895
EBITDA, % of net sales	3.0 %	0.2%	5.4%
Adjusted EBITDA ^{1,2}	1,198	764	3,350
Adjusted EBITDA, % of net sales ^{1,2}	4.5 %	2.8%	6.3 %
EBIT	-154	-1,066	-702
EBIT, % of net sales	-0.6%	-3.9%	-1.3%
Adjusted EBIT ^{1,2}	238	-361	-247
Adjusted EBIT % ^{1,2}	0.9%	-1.3 %	-0.5 %

¹ Adjustment items are material items outside the ordinary course of business, which costs related to reorganization and business combinations. January–June 2021 EBITDA included the non-recurring costs EUR 393 (705) thousand.

² The figures for the comparison period have been adjusted for COVID-19 NOW benefit from other operating income to adjustment items. The effect on the adjustment items is 1 Jan -30 Jun 2020 EUR 147 thousand and 1 Jan -31 Dec 2020 EUR 337 thousand.

EUR thousand	30 Jun 2021	30 Jun 2020	31 Dec 2020
Equity ratio, %	32.9%	32.5%	34.4%
Net interest-bearing debt	2,156	2,538	2,244
Net gearing, %	16.0%	18.0%	16.0%

Reconciliation of alternative performance measures

	1 Jan-30 Jun 2021	1 Jan-30 Jun 2020	1 Jan-31 Dec 2020
Operating result	-154	-1,066	-702
+ Depreciation	960	1,125	3,597
=EBITDA	805	59	2,895
EBITDA	805	59	2,895
+ Adjustment items	393	705	455
=Adjusted EBITDA	1,198	764	3,350
Operating result	-154	-1,066	-702
+ Adjustment items	393	705	455
=Adjusted operating result	238	-361	-247

The figures presented in the half-year financial report have not been audited.

Petri Kairinen, CEO of Nixu:

The first half of 2021 continued to be tinged by the global coronavirus pandemic, which caused some instability in service deliveries. Cost savings during 2020 and the decrease in the number of employees contributed to the fact that the previous revenue level was not reached during the beginning of the year, and the revenue decreased by 3%. During this time the average number of employees was 38 persons (circa 9%) lower than in the comparison period. At the end of 2020, Nixu relaunched its efforts to accelerate growth investments, however, we were still able to significantly improve the EBITDA, which was EUR 805 thousand in H1 2021. We were also able to recruit efficiently and at the end of the period were only 14 persons less than in the comparison period.

Nixu's strategy relies firmly on the growing need of digitalizing companies to have a specialized cybersecurity partner alongside them. Nixu's target clientele are especially internationally operating enterprises, which we want to serve with the One Nixu model and services in the different markets where we operate. Because of this we changed our operating model during the period. With the new model, we strive for a better customer experience for these clients, better Nixu brand visibility in markets outside Finland, and improved profitability with better-optimized deliveries as a result of a truly international operating model and teams.

In connection with the change in the operating model, we formed a new business unit focused on ensuring the security of IoT devices. In April, we strengthened our position in Denmark's fragmented cybersecurity market when the employees of Danish cybersecurity company C-cure transferred to Nixu. Throughout the review period, we have invested heavily in ensuring the deployment of the new operating model along with client work, personnel and recruitment, and training of new experts in the cybersecurity sector.

During the economically uncertain pandemic period, many companies' cybersecurity measures and development projects have not kept pace with the accelerating digitalization trend. We are now seeing signs that these postponed cybersecurity projects are again relevant, and we believe market demand will continue to grow during the latter half of the year in countries where Nixu operates. Together with increased recruitment, a more client-centric operating model and bright market outlook for cybersecurity services, we are well positioned to continue serving our clients successfully across Northern Europe.



Market Overview

The coronavirus pandemic momentarily slowed the growth of the cybersecurity market in 2020. The cost-cutting measures following the global downturn, caused by the pandemic, affected organizations' priorities and demand for cybersecurity services. According to Gartner, the global growth of security services was about 5 percent.

However, the accelerated digitalization and the increased adoption of cloud services and remote working technologies are expected to significantly increase the global demand for cybersecurity services in 2021. In addition, the growth of cybercrime, news of serious data breaches, and the pressure of regulation are boosting the growth of the cybersecurity market. Gartner forecasts that security services will grow by approximately 11% in 2021 worldwide. In Nixu's market areas – Finland, Sweden, the Netherlands, and Denmark – growth is projected to be even faster on average.

Growth Strategy

Nixu's growth strategy focuses particularly on cybersecurity services for digital business transformation. Developing and delivering cybersecurity services that enable clients to utilize the opportunities provided by the Industrial IoT and digital identities will be a key priority for Nixu.

In 2019, the company 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. In the long term, neither the strategy nor the growth ambition of Nixu Corporation have changed due to COVID-19. However, in the short term Nixu will not seek to grow according to its growth ambition. Instead, Nixu will secure the profitability and efficiency of its operations to be able to continue the implementation of its growth ambition in the emerging market.

Revenue and Result for January–June 2021

For January–June, Nixu Group's revenue stood at EUR 26,720 thousand (27,655). Compared to the same period in the previous year, revenue decreased by -3% (8%). Change in the Group's revenue development was organic.

Nixu renewed its operating model and changed its organization structure to be more international. The changes together with lower than estimated headcount contributed momentarily to the decrease in Group's revenue growth.

Development of revenue broken by the type of service:

- Projects and assignments accounted for 50% (50%) of the revenue, change of -4% from the corresponding period in the previous year.
- All continuous services accounted for 36% (36%) of the revenue, change of -5% compared to the corresponding period of the previous year. All continuous services include:
 - Managed services, which accounted for 19% (19%) of the revenue, change of -1% from the corresponding period in the previous year.
 - Continuous services accounted for 16% (18%) of the revenue. Change -10% from the corresponding period in the previous year.
- Technology resell accounted for 14% (13%) of the revenue showing growth of 4% from the corresponding period in the previous year.

Other operating income amounted to EUR -276 thousand (296). The comparison period includes the COVID -19 related NOW-benefit of EUR 147 thousand and in year 2020, EUR 337 thousand. According to the final assessment by authorities, the conditions for the COVID-19 NOW benefit were not met and must be reimbursed.

In January–June, Nixu's EBITDA was EUR 805 thousand (59). Adjusted EBITDA was EUR 1,198 thousand (764). Adjusting items were EUR 393 thousand (705) and those were related both in the review and comparison period to COVID-19 NOW benefits received in Benelux and personnel costs related to the reorganization. The NOW-benefit decreased EBITDA by the amount of EUR 337 thousand in the review period and improved EBITDA by the amount of EUR 147 thousand in the comparable period.

Nixu's operating result (EBIT) was EUR -154 thousand (-1,066). In addition to the above, EBIT was affected by depreciation totaling EUR 960 thousand (1,125).

Finance income and costs amounted to EUR -247 thousand (-342).

The result of the review period was EUR -452 thousand (-1,457).

Financing and Investments

On June 30, 2021, Nixu Group's balance sheet totaled EUR 40,876 thousand (43,305).

The company's cash in hand on June 30, 2021 was EUR 5,978 thousand (7,662). The comparison period included the tax and pension contribution deferrals applied as a result of the COVID-19 pandemic. During the review period, these deferred payments amounted to EUR 555 thousand (3,332). The company has two credit facilities, in total EUR 5,500 thousand. The credit facilities were not used at the end of the review period.

Over the next 12 months, a bullet loan of EUR 2,065 thousand will mature. Net liabilities on June 30, 2021 amounted to EUR 2,156 thousand (2,538). The change in net liabilities is explained by the above-mentioned deferred payments.

Net cash flow from operating activities was EUR 952 thousand (4,759), mainly due to the change in trade receivables and the increase in other non-interest-bearing liabilities, which were affected by the above-mentioned deferred payments.

Personnel, Leadership and Management

At the end of June 2021, the number of personnel at Nixu was 385 (399). During the review period, Nixu had offices and personnel in Finland, Sweden, the Netherlands, Denmark and Romania.

The number of personnel decreased by 14 from the comparison period, but grew steadily after the end of 2020 throughout the first half of 2021 due to Nixu's heavy investments in recruiting new talent. The decrease in the number of personnel from the comparison period is attributable to, among other factors, higher-than-usual turnover and fierce competition for the best cybersecurity talent. Companies understand the importance of cybersecurity in digitalizing business and are investing in in-house information security expertise by hiring new talent.

Nixu moved to the international Better Together operating model

In the first quarter of 2021, Nixu moved to the new international Better Together operating model, where all functions operate across borders and competence is developed throughout the company. The operating model aims to strengthen the competence development of cybersecurity experts.

Nixu supported its personnel in the transition to the new operating model by closely monitoring the progress of the change and employees' experiences through personnel surveys and improving internal communication. At the same time, Nixu promoted the development of a unified leadership culture by organizing a leadership development program for team leaders with the aim of improving leadership skills and providing practical tools for leadership.

During the prolonged coronavirus pandemic, remote working has become a familiar way of life for the majority of personnel. As vaccination coverage increased, Nixu began preparing for the return of employees to the office. At the same time, Nixu continued to improve the conditions for remote working and support continuous learning through new digital methods. Nixu adopted the GoodHabitZ learning platform, which provides content related to personal development, leadership, communications, health and safety to support employee well-being at work. Employees were also

supported by an occupational psychologist's webinar and various country-specific measures. In Finland, for example, the ePassi mobile application was adopted, allowing Nixu's personnel to now use employee benefits for a wide range of services that support well-being, in addition to sports and cultural services.

Employee satisfaction remained on a good level

Employee satisfaction is measured by the Nixu Pulse survey on a quarterly basis. Employee satisfaction remained at a healthy level between January and June 2021. Employees' responses highlighted Nixu's new international organizational model, its human-centered approach, their colleagues, and the work community as positive aspects of working there. The importance of good leadership emerged as a development target in the Pulse survey.

Cooperation with organizations and educational institutions in the industry is paying off

During the review period, Nixu continued to strengthen its employer image and enhance its reputation by promoting cooperation between Nixu's personnel and the broader cybersecurity community through various events and training workshops. The company organized and supported several events for cybersecurity communities, worked in close collaboration with educational institutions, and sought to promote cybersecurity at the societal level in its countries of operation. Once again, Nixu organized the annual Nixu Challenge aimed especially at young people. In addition, the company participated in the Generation Z Challenge

(sponsored by the Finnish Information Security Cluster, numerous companies and authorities) at which young people were able to safely practice their ethical hacking skills online. Nixu also joined forces with Academic Work in Finland to create a comprehensive training program for attracting new talent into the cybersecurity industry.

The long-term work with the organizations and educational institutions in the industry paid off: Nixu improved its position among the most attractive employers among IT students and rose to 37th place (45) in the Universum Finland employer image survey. This is an excellent achievement, as Nixu operates in a fairly specialized area of expertise and targets its services only at corporate customers, which means that it is not widely known among the general public.

Key Figures for Personnel

	30 Jun 2021	30 Jun 2020	31 Dec 2020
On average during the review period	377	415	399
Wages and salaries during the review period (EUR 1 000)	13,626	15,071	27,505
Average length of employment (years)	4.7	4.1	5.0
Average age (years)	41.8	40.1	41.8
Permanent employees	97%	99%	99%
Part-time employees	4%	5%	5%
Women's share of the group's personnel	22%	20%	21%

Nixu Corporate Leadership Team

On June 30, 2021 Nixu Corporate Leadership Team included:

- Petri Kairinen (Chief Executive Officer)
- Björn-Erik Karlsson (Business Area Lead, Expert Services)
- Janne Kärkkäinen (Chief Financial Officer)
- Mats Lindgren (Business Area Lead, Market Expansion)
- Katja Müller (Chief People Officer)
- Valtteri Peltomäki (Business Area Lead, Client Experience)
- Pietari Sarjakivi (Business Area Lead, Labs)

During the first quarter Nixu initiated reorganization of its operations and made a structural change to the organization model towards international orientation. As a consequence, the Corporate Leadership Team changed to include the Chief Executive Officer, the Business Area Leads, the Chief Financial Officer, and the Chief People Officer.

In June, Nixu appointed Jan Mickos as the new Business Area Lead for Managed Services as of September 1, 2021.

Annual General Meeting 2021

Nixu's Annual General Meeting (AGM) was held on March 30, 2021. 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 2020.

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

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 account and that no dividend was paid for 2020.

The AGM approved all proposals made by the Board of Directors as described in the Notice to the AGM published on March 5, 2021. The resolutions of the AGM can be found in the Company's stock exchange release on March 30, 2021 and on the company's website <https://www.nixu.com/investors/AGM-2021>.

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.

On March 30, 2021, at the Organizing meeting Nixu Corporation's Board of Directors elected from among its members Jari Niska as Chair and Marko Kauppi and Anders Silwer as members of the Audit Committee.

Shares and Shareholders

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
Jan-Jun 2021	1,336,041	12,905,757	11.95	8.00	9.80	8.10

	30 Jun 2021	30 Jun 2020	31 Dec 2020
Market capitalization (EUR)	60,131,913.30	57,078,667.80	71,215,071.00
Number of shareholders	4,641	3,598	3,987
Total number of shares	7,425,219	7,425,219	7,425,219
Number of the company's own shares held by the company	1,526	12,405	22,405

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.

The Board of Directors of Nixu Corporation has decided on a directed share issue without payment for All-Employee Matching Share Plan 2019 - 2021 reward payment. The decision on the directed share issue without payment is based on the authorization granted to the Board of Directors by the Annual General Meeting of Shareholders held on 7 April 2020.

In the directed share issue without payment, 20,879 Nixu Corporation shares held by the company have on 11 March 2021 been conveyed to 134 key employees according to the terms and conditions of the plan.

Personnel and Remuneration Committee

The Personnel and Remuneration Committee assists the Board of Directors in particular handling and preparing personnel and remuneration matters. At the Organizing meeting on 30 March 2021, the 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.

Flagging Notifications

According to the announcement received by Nixu Corporation, OP Fund Management Company's total holdings in Nixu's shares from its two mutual funds, OP-Finland Small Cap and OP-Finland Micro Cap, decreased under 5 percent on June 23, 2021. (Stock Exchange Release June 28, 2021)

Risks and Uncertainties

The risks and uncertainties are presented in more detail in connection with the consolidated financial statements for the financial year ended 31 December 2020 in the Board of Directors' report.

Despite of the improved vaccination rate, COVID-19 pandemic still increasingly contributes to the likelihood of several previously verified risks. The new virus variants could prolong the pandemic even longer with a different impact on different countries. However, Nixu does not foresee that the new virus variants would pose a considerable impact on its performance.

Events After the Review Period

There were no major events after the review period.

Accounting Principles for the Half-Year Report

This half-year report has been prepared in accordance with the IAS 34 Interim Financial Reporting standard. The accounting principles and calculation methods used in this half-year report are identical to those used in Nixu's annual financial statements, excepting those specified by new and revised standards that became effective on January 1, 2021.

Other amendments to IFRSs and their interpretations have no material impact on the Group.

The figures presented in this half-year report have not been audited. All figures are rounded off, which means that there may be discrepancies between the sum of constituent items and the totals shown.

In this release, Nixu presents certain indicators associated with the company's financial standing and result for the review 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 interest-bearing debt, net gearing 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 half year report prepared in accordance with the IAS 34 Interim Financial Reporting standard. 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.

When preparing this half-year report, management is required to make judgments, estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Financial Reporting in 2021

Nixu publishes, in addition to its financial statements and annual report, its half-year financial report, CEO's review, revenue information and EBITDA for the first and third quarters, and stock exchange and press releases in accordance with Nixu's disclosure policy. These releases and a range of other information for investors is available on the company website at <https://www.nixu.com/investors>.

October 14, 2021 Q3/2021 CEO's review, revenue information and EBITDA

News conference

A news conference will be available for analysts, investors and media on Thursday, August 12, 2021 at 9:30 AM EEST at Scandic Simonkenttä, Simonkatu 9, Helsinki.

The event will be available through a live webcast at <https://nixu.videosync.fi/2021-08-12-nixu-corporation-h1-2021>.

Espoo, August 11, 2021

Nixu Corporation

The Board of Directors

Consolidated Statement of Comprehensive Income

EUR thousand	1 Jan - 30 Jun 2021	1 Jan - 30 Jun 2020	1 Jan - 31 Dec 2020
Revenue	26,720	27,655	53,272
Other operating income	-276	296	533
Materials and services	-6,359	-6,547	-12,245
Employee benefit expenses	-16,641	-18,255	-33,456
Other operating expenses	-2,638	-3,090	-5,210
Depreciation and amortization	-960	-1,125	-2,176
Impairment charges	0	0	-1,420
Operating result	-154	-1,066	-702
Finance income	20	4	3
Finance expenses	-221	-289	-566
Interest expenses on lease payments	-46	-57	-103
Finance income and costs, net	-247	-342	-666
Result before taxes	-401	-1,407	-1,368
Income tax expense	-51	-50	-468
Result for the period	-452	-1,457	-1,835
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Translation differences	-39	-12	223
Other comprehensive income for the period, net of tax	-39	-12	223
Total comprehensive income for the period	-491	-1,469	-1,612
Result for the period attributable to:			
Owners of the parent	-452	-1,457	-1,835
Result for the period	-452	-1,457	-1,835
Total comprehensive income for the period attributable to:			
Owners of the parent	-491	-1,469	-1,612
Total comprehensive income	-491	-1,469	-1,612
Earnings per share for profit attributable to the owners of the parent during the year			
Basic and diluted earnings per share, EUR	-0.06	-0.20	-0.25

Consolidated Statement of Financial Position

EUR thousand	30 Jun 2021	30 Jun 2020	31 Dec 2020
ASSETS			
Non-current assets			
Goodwill	12,681	13,909	12,716
Other intangible assets	2,300	2,675	2,509
Property, plant and equipment	307	448	404
Right-of-use assets	2,642	3,042	2,555
Other receivables	271	253	252
Deferred tax assets	104	0	62
Total non-current assets	18,306	20,327	18,499
Current assets			
Inventories	6	4	6
Trade receivables and other receivables	16,393	15,158	16,140
Current income tax receivables	193	153	35
Cash and cash equivalents	5,978	7,662	6,031
Total current assets	22,571	22,978	22,213
Total assets	40,876	43,305	40,712
EQUITY AND LIABILITIES			
Equity			
Share capital	95	95	95
Invested unrestricted equity reserve	19,314	19,314	19,314
Translation differences	-403	-599	-364
Retained earnings	-5,097	-3,273	-3,203
Result for the period	-452	-1,457	-1,835
Total equity attributable to owners of the parent	13,457	14,079	14,007
Liabilities			
Non-current liabilities			
Borrowings	2,672	5,279	4,971
Lease liabilities	1,433	1,827	1,447
Deferred tax liabilities	219	180	215
Other non-current liabilities	283	251	282
Total non-current liabilities	4,607	7,537	6,916
Current liabilities			
Borrowings	2,687	1,727	621
Lease liabilities	1,342	1,367	1,237
Trade payables and other payables	18,173	18,328	17,336
Current income tax liabilities	610	266	596
Total current liabilities	22,812	21,689	19,789
Total liabilities	27,419	29,226	26,705
Total equity and liabilities	40,876	43,305	40,712

Consolidated Statement of Cash Flows

EUR thousand	1 Jan - 30 Jun 2021	1 Jan - 30 Jun 2020	1 Jan - 31 Dec 2020
Cash flows from operating activities			
Result for the period	-452	-1,457	-1,835
Adjustments for:			
Depreciation and amortization	960	1,125	3,597
Other non-cash adjustments	-173	252	279
Finance income and costs, net	247	342	666
Income tax expense	51	50	468
Changes in working capital			
Change in trade receivables and other receivables	-138	877	-102
Change in inventories	0	0	-2
Change in trade payables and other payables	865	3,922	2,861
Interests paid	-155	-160	-403
Interests received	20	4	
Other finance income and costs, net	-43	-76	-126
Income taxes paid	-232	-121	-127
Net cash flows generated from operating activities	952	4,759	5,275
Cash flows from investing activities			
Purchases of tangible assets	0	-33	-76
Purchases of intangible assets	0	-64	-96
Proceeds from loans receivable	0	202	366
Net cash from investing activities	0	105	194
Cash flows from financing activities			
Repayments of borrowings	-313	-348	-1,737
Purchase of own shares	0	0	-91
Lease liability repayments	-680	-784	-1,547
Net cash from financing activities	-993	-1,133	-3,375
Net decrease (-) / increase in cash and cash equivalents	-41	3,731	2,094
Cash and cash equivalents at the beginning of the period	6,031	3,923	3,923
Exchange gains / losses (-) on cash and cash equivalents	-12	8	14
Cash and cash equivalents at the end of period	5,978	7,662	6,031

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 2020	95	19,314	-587	-3,436	15,385
Result for the period				-1,457	-1,457
Other comprehensive income for the period:					
Translation differences			-12		-12
Total comprehensive income for the period	0	0	-12	-1,457	-1,469
Transactions with owners:					
Share based payments to employees				163	163
Total transactions with owners:	0	0	0	163	163
Equity at 30 Jun 2020	95	19,314	-599	-4,731	14,079
Equity at 1 Jan 2021	95	19,314	-364	-5,038	14,007
Result for the period				-452	-452
Other comprehensive income for the period:					
Translation differences			-39		-39
Total comprehensive income for the period	0	0	-39	-452	-491
Transactions with owners:					
Share based payments to employees				-59	-59
Total transactions with owners:	0	0	0	-59	-59
Equity at 30 Jun 2021	95	19,314	-403	-5,549	13,457

Revenue and Result for the Review Period

Revenue and Segments

The group's proceeds from service sales accrue over time, whereas cybertechnology resell fall due at point in time. 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 Resell 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.

Earnings per Share

	1 Jan – 30 Jun 2021	1 Jan – 30 Jun 2020	1 Jan – 31 Dec 2020
Result for the period attributable to the owners of the parent	-451,875	-1,457,497	-1,835,236
Weighted average number of shares, undiluted	7,413,427	7,412,814	7,410,832
Earnings per share, basic (EUR)	-0.06	-0.20	-0.25
Impact of shares related to share-based incentive plan	116,043	44,506	44,046
Weighted average number of shares, fully diluted	7,529,469	7,457,320	7,454,877
Earnings per share, diluted (EUR)	-0.06	-0.20	-0.25

The company has dilutive potential for ordinary shares with respect to its share-based incentive plan.

Revenue Breakdown by Service Area:

EUR thousand	1 Jan – 30 Jun 2021	1 Jan – 30 Jun 2020	1 Jan – 31 Dec 2020
Service type:			
Projects and assignments	13,392	13,964	26,529
Total continuous services	9,567	10,077	19,746
Managed services	5,177	5,223	10,446
Continuous services	4,390	4,854	9,300
Technology resell	3,761	3,614	6,998
Total	26,720	27,655	53,272

Revenue by Geographical Area:

EUR thousand	1 Jan – 30 Jun 2021	1 Jan – 30 Jun 2020	1 Jan – 31 Dec 2020
Finland	15,425	16,057	32,395
Denmark	3,990	4,460	7,364
Sweden	4,880	4,820	8,834
Benelux	801	1,066	2,073
Other	1,624	1,252	2,606
Total	26,720	27,655	53,272

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.

People

Employee Benefits

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

EUR thousand	1 Jan - 30 Jun 2021	1 Jan - 30 Jun 2020	1 Jan - 31 Dec 2020
Wages and salaries	13,626	15,071	27,505
Social security expenses	978	1,068	2,054
Share-based payments	135	163	324
Pension expenses - defined contribution plans	1,903	1,953	3,572
Total	16,641	18,255	33,456

Share-Based Payments

Nixu has a share-based All-Employee Matching Share Plan and option scheme launched in 2019. Details of these schemes were presented in section 3.2 of the Notes to the Group's financial statements for the year ended on December 31, 2020.

In accordance with the decision of the Annual General Meeting held on March 30, 2021, 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 59 thousand.

Acquisitions and Group Structure

There were no acquisitions made by Nixu during the period.

Intangible Assets and Goodwill

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

EUR thousand	30 Jun 2021	30 Jun 2020	31 Dec 2020
Net book amount at beginning of the period	15,226	16,858	16,858
Exchange differences	-45	-17	275
Amortization	-200	-257	-487
Impairment charges	0	0	-1,420
Net book amount at end of the period	14,981	16,584	15,226

On June 30, 2021, the amount of goodwill was EUR 12,681 thousand (13,909), the amount of customer relationships EUR 2,300 thousand (2,643) and the amount of other intangible assets EUR 0 thousand (32).

Net Debt and Equity

Interest-bearing Net Debt and Derivative Financial Instruments

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

EUR thousand	30 Jun 2021	30 Jun 2020	31 Dec 2020
Non-current borrowings			
Loans from financial institutions	2,672	5,279	4,971
Lease liabilities	1,433	1,827	1,447
Total non-current borrowings	4,105	7,106	6,418
Current loans			
Loans from financial institutions	2,687	1,727	621
Lease liabilities	1,342	1,367	1,237
Total current loans	4,029	3,094	1,858
Total loans	8,134	10,201	8,276
Less cash and cash equivalents	5,978	7,662	6,031
Net debt	2,156	2,538	2,244

Borrowings

On June 30, 2021, Nixu's loans from financial institutions included a EUR 5,900 thousand variable and fixed rate loans, which were drawn-down in 2017 related to the financing arrangements and a EUR 2,500 thousand floating rate loan that was taken out in 2019.

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

EUR thousand	Drawn down	Maturity	Interest rate	installment	30 Jun 2021	30 Jun 2020	31 Dec 2020
Loan 1	2014	10/9/20	3.75%	monthly	0	418	0
Loan 2	2017	11/30/20	3.75%	monthly	0	346	0
Loan 3	2017	5/30/22	4.15%	bullet	2,065	2,065	2,065
Loan 4	2019	3/28/23	4.75%+ 6 month euribor	half-on-year	1,250	2,188	1,563
Loan 5	2017	5/30/23	3.8%+3.8%	bullet	2,052	1,977	1,977
Loan 6	2017	9/30/20	0.00%	quarterly	0	32	0
Total					5,367	7,026	5,605

The interest rates of the loans ranged between 3.75% and 4.75% (June 30, 2020: 3.75%-4.35%) and for EUR 2,052 thousand the capitalized interest rate was of 3.80% (June 30, 2020: 3.80%) on the review period that ended on June 30, 2021.

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. EBITDA of at least EUR 380 thousand on the review date of June 30, 2021, at least EUR 1,000 thousand on the review date of December 31, 2021. 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 June 30, 2021 and in the comparison period on June 30, 2020. As the covenants were met on June 30, 2021, and the current estimate is that they will also be met on December 31, 2021, the loans were classified as non-current and current. The EUR 2,065 thousand bullet loan (loan 3) raised in 2017 matures in accordance with the agreement within 12 months, in which case it is classified as fully current. The company's financial position and valid financing agreements guarantee the company's liquidity.

The fair value of the loans does not materially differ from their carrying amount, as the interest rates of the loans are close to the current market rates (the financing agreement was renewed in May 2020). The company's risk premium has not changed significantly after

the loans were withdrawn. The fair values of Nixu's loans are based on cash flows discounted at the current borrowing rate. The different terms of the loans (maturity, priority order, collateral) are taken into account in determining the value. The loans are classified at level 2 of the hierarchy of fair values as the fair value is determined mainly using the observable market interest-rate curve.

Derivative Financial Instruments

At the closing of accounts, on June 30, 2021, the Group held one interest swap contract. The agreement is used to hedge 38% of the company's loan funds against cash flow risk (June 30, 2020: 31%). 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. On June 30, 2021, the fair value of the derivatives was negative EUR 20 thousand (June 30, 2020: negative EUR 33 thousand).

Equity

Payments of dividends

No dividends have been paid in the 2021 financial year (2020: 0).

Related Party Transactions

Loan receivables from related party

EUR thousand	30 Jun 2021	30 Jun 2020	31 Dec 2020
Loan receivables from related party (management team)	0	16	0

The loans receivable is associated with the company's share-based incentive scheme.

Contingencies and Commitments

EUR thousand	30 Jun 2021	30 Jun 2020	31 Dec 2020
Mortgages given on own behalf:			
Business mortgages ¹⁾	10,118	10,118	10,118
Loan amount	5,367	7,026	5,592

Other commitments

EUR thousand	30 Jun 2021	30 Jun 2020	31 Dec 2020
Rental deposits	271	269	269

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 5,4 MEUR financial institution loan and 5,5 MEUR credit limit. At the end of the review period, the credit limits have remained unused.

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, which costs related to restructuring and costs related to 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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