

The image features a dark blue background with a large, white, stylized 'X' shape. The 'X' is formed by four large triangles meeting at the center. The text is positioned on the left side of the image, within the dark blue area.

nixu

Half-Year Financial  
Report 2022  
For January 1 – June 30, 2022

# Positive business development continued with 7% growth

## Highlights for January–June 2022

- Revenue: EUR 28,580 thousand (26,720), change 7%.
- EBITDA: EUR 377 thousand (805), share of revenue: 1% (3%).
- Adjusted EBITDA: EUR 352 thousand (1,198), share of revenue: 1% (5%).
- EBIT: EUR -553 thousand (-154), share of revenue: -2% (-1%).
- Nixu appointed Teemu Salmi as the company's new CEO.
- The company extended the maturity of its financing.

## Financial Guidance for 2022

Nixu estimates its revenue to grow and its EBITDA to increase from 2021.

## Key Figures

EUR thousand	1 Jan–30 Jun 2022	1 Jan–30 Jun 2021	1 Jan–31 Dec 2021
Revenue	28,580	26,720	51,809
Result of the period	-757	-452	-984
Earnings per share (EUR)	-0.10	-0.06	-0.13
EBITDA	377	805	1,473
EBITDA, % of net sales	1.3%	3.0%	2.8%
Adjusted EBITDA <sup>1</sup>	352	1,198	1,929
Adjusted EBITDA, % of net sales <sup>1</sup>	1.2%	4.5%	3.7%
EBIT	-553	-154	-444
EBIT, % of net sales	-1.9%	-0.6%	-0.9%
Adjusted EBIT <sup>1</sup>	-578	238	13
Adjusted EBIT % <sup>1</sup>	-2.0%	0.9%	0.0%

<sup>1</sup> Adjustment items are material items outside the ordinary course of business, which are costs related to reorganization and business combinations. January–June 2022 EBITDA included the non-recurring items EUR 25 (-393) thousand.

EUR thousand	30 Jun 2022	30 Jun 2021	31 Dec 2021
Equity ratio, %	30.6%	32.9%	31.5%
Net interest-bearing debt	3,879	2,156	3,237
Net gearing, %	32.4%	16.0%	25.3%

## Reconciliation of alternative performance measures

	1 Jan-30 Jun 2022	1 Jan-30 Jun 2021	1 Jan-31 Dec 2021
Operating result	-553	-154	-444
+ Depreciation	930	960	1,917
=EBITDA	377	805	1,473
EBITDA	377	805	1,473
+ Adjustment items	-25	393	456
=Adjusted EBITDA	352	1,198	1,929
Operating result	-553	-154	-444
+ Adjustment items	-25	393	456
=Adjusted operating result	-578	238	13

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

## CEO review:

### Interim CEO Valtteri Peltomäki:

Our growth was strong in the first half of the year. Revenue was up 7% year-on-year. Our intake of client orders once again saw double-digit growth compared with the previous year, which was especially evident in the growth figures for May–June.

Sales performance was successful in all our businesses, with particularly brisk sales of Managed Services. We made new agreements in our main business countries – Finland, Sweden and Denmark. The fastest growth in the consultancy business and Managed Services was seen in Sweden and Denmark. Going forward, we will continue to pursue faster growth in these two countries. Our strong sales have been supported by, for instance, our cross-border operating model as well as good customer loyalty and satisfaction, in which our NPS stood at 65.

Our profitability weakened year-on-year. There was a positive turnaround in managed services during the second quarter, but the first half as a whole still fell short of the comparison period. This year, we have invested heavily in sales of Managed Services, thanks to which we will be able to fully utilize our capacity. We expect that the profitability of Managed Services will improve thanks to the intake of new agreements and that it will rise into the black in the second half of the year.

Personnel and subcontracting expenses grew in relation to revenue growth. Also absences caused by the coronavirus pandemic contributed to this, but the main reason was new recruitments. We carried out several measures to ensure that we have a strong team to deliver growth.

Our aim is to support the digital security of supply and cyber self-sufficiency of society. In June, we announced that, at the request of the Finnish Ministry of Defense, Nixu had assembled a cybersecurity ecosystem consisting of companies, universities and research institutes for the F-35 fighter project. The project involves both direct and indirect industrial cooperation between the fighter manufacturer and Finnish companies. Our follow-up agreement with Valtori on the development of cloud security for public-sector organizations is another example of the growing need for information security and its significance in promoting the cloud transformation.

Our revenue growth rate is impacted by general economic uncertainty, which has slowed down decision-making on long-term investments among some customers. Nixu does not engage in business in Russia, Belarus or Ukraine, and Russian cyberattacks have not to date had a significant impact on cybersecurity purchases. On the other hand, due to the geopolitical situation resulting from the war in Ukraine, everyone is talking about cybersecurity and cyber preparedness, and organizations have begun to develop their preparedness.

We are an attractive employer in the cyber sector. We were able to recruit new people during the review period despite the fierce competition for talent. We focus on the job satisfaction of our employees by offering a flexible hybrid work model, good opportunities for professional development and well-rounded support for well-being at work. We engage in constant cooperation with educational institutions to attract new talent to the sector. In addition, we have joined forces with the internationally respected SANS Institute to offer world-class cybersecurity training to organizations in Finland.

### Nixu's new CEO Teemu Salmi says:

I assumed the position of CEO at the beginning of August. I can only say that I am pleased and proud to join Nixu's great team. The excellent services we offer to our customers are very important and relevant in the current geopolitical situation. The cybersecurity sector is growing in all its dimensions and we have set our sights on profitable growth that outpaces the market. To succeed in this, we must update and polish our current strategy. Many aspects of our day-to-day operations are already in good shape – we will focus on developing all those things in which we could perform even better. In addition to profitable growth, our focus areas will also include safeguarding strengthened cash flow. This will give us the potential and means to build our future.

During the rest of 2022, we will update our strategy – we will present it at the beginning of 2023. I am confident that with our amazing employees and the trust we have gained from our customers, nothing can stop Nixu from becoming one of the largest providers of cybersecurity services in Northern Europe.



## Market Overview

The digitalisation of society continues to be strong. The demand for cybersecurity services is directly linked to the degree of digitalisation of companies and society, as digitalisation requires organizations to pay close attention to cybersecurity and invest to ensure the continuity of digital business. These investments can be delayed, as we discovered during covid-19, but not indefinitely.

The war in Ukraine has had and will continue to have significant consequences for the cybersecurity environment, although the cyber impact of the war on countries other than Ukraine has remained minimal. Russia has used ways in its cyberattacks that have spread unlikely beyond the country. A change in tactics would have a significant impact on cyberspace around the world.

The cybersecurity market has been technology-oriented for a long time, and a separate technology has been created as a solution for each separate need. As the operating environment grows and becomes more complex, the networking of everything possible has led to a situation where the development of technological managing solutions becomes very tedious. At the same time, processes and human readiness have not been brought to a sufficient level to respond to cyberattacks. Foreseeable future we will see an increase in the demand for both large-scale cybersecurity solutions and investing in practising and training of personnel.

Gartner predicts global cybersecurity services market to grow with only 3% in 2022. However between 2023 -2025, global growth is projected to increase to annual growth rate of 9%. Gartner also predicts that markets where Nixu is currently present (Finland, Sweden, Denmark and the Netherlands) will have annual growth rates of about 13% between 2023-2025. (Gartner, 2022)

## Growth and Profitability Strategy

In fall 2021, Nixu saw the opportunity to return to a proper growth track and published its growth ambition for 2022-2025. Nixu is now revisiting its growth and profitability strategy during latter part of 2022. Updated strategy will be presented early 2023.

Nixu's growth strategy focuses particularly on cybersecurity services for digital business transformation. Nixu is increasingly developing its holistic cybersecurity service portfolio to enable clients to develop and manage their digitalizing business.

## Revenue and Result for January–June 2022

For January–June, Nixu Group's revenue stood at EUR 28,580 (26,720) thousand. Compared to the same period in the previous year, revenue growth by 7% (-3%). Change in the Group's revenue development was organic.

Development of revenue broken by the type of service:

- Projects and assignments accounted for 51% (50%) of the revenue, growth of 8% from the corresponding period in the previous year.
- All continuous services accounted for 34% (36%) of the revenue, growth of 1% compared to the corresponding period of the previous year. All continuous services include:
  - Managed services, which accounted for 19% (19%) of the revenue, growth of 4% from the corresponding period in the previous year.
  - Continuous services accounted for 15% (16%) of the revenue. Change -2% from the corresponding period in the previous year.
- Technology resell accounted for 16% (14%) of the revenue showing growth of 19% from the corresponding period in the previous year.

Other operating income amounted to EUR 38 thousand (-276).

In January–June, Nixu's EBITDA was EUR 377 thousand (805). The weakening of EBITDA is explained by weaker profitability of revenue mix, which is reflected as an increase in materials and services costs. This is explained by both the increase in technology resale and the share of projects with subcontracting work in revenue. In addition, the weakening of profitability is explained by higher other operating expenses, which were exceptionally low during the comparison period due to cost savings as a result of the COVID-19 pandemic. EBITDA was affected by EUR -25 (393) thousand in non-recurring costs related to personnel costs arising from restructuring during both the current and comparison period. The figure for the comparison period also included an adjustment to COVID-19 NOW support received in the Netherlands in 2020.

Adjusted EBITDA was EUR 352 thousand (1,198)

Nixu's operating result (EBIT) was EUR -553 thousand (-154). In addition to the above, EBIT was affected by depreciation totaling EUR 930 thousand (960).

Finance income and costs amounted to EUR -291 thousand (-247).

The result of the review period was EUR -757 thousand (-452).

## Financing and Investments

On June 30, 2022, Nixu Group's balance sheet totaled EUR 39,097 thousand (40,876).

The company's cash in hand totaled EUR 3,113 (5,978) thousand on June 30, 2022. Cash in hand for the comparison period included EUR 555 thousand in tax and pension payments as a result of the COVID-19 pandemic. The company has two credit facilities totaling EUR 5,500 thousand. A total of EUR 616 thousand of the credit facility was in use.

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.

A loan of EUR 2,130 thousand will mature during the next 12-month period and is classified as current liabilities. According to management's assessment Nixu's liquidity level is sufficient.

On June 30, 2022, net liabilities totaled EUR 3,879 (2,156) thousand. This change in net liabilities is a result of a decrease in cash in hand.

Net cash flow from operating activities was EUR -626 (952) thousand. This change was mainly due to changes in trade payables and trade receivables.

## Personnel, Leadership and Management

Nixu had 391 (385) employees at the end of June 2022. During the review period, Nixu had offices and personnel in Finland, Sweden, the Netherlands, Denmark and Romania. During the review period, Nixu recruited both new and returning specialists. This was despite of fierce competition for the best cybersecurity experts. Companies understand the importance of cybersecurity in the digitalization of their business operations, and are investing in in-house cybersecurity by hiring new talent.

Nixu's new CEO Teemu Salmi took up his position on August 1, 2022. He will lead the next phase of the company's growth strategy. Salmi has more than 20 years' experience in man-

agement and senior executive positions in the IT, telecommunications and forestry sectors.

Nixu's new CPO, Nathalie van Delden, took up her position on March 1, 2022. She has previously worked at Nixu as People Operations Manager in the Benelux countries, Romania and Denmark, and also in the expert services business area.

### Nixu supports wellbeing

Employee wellbeing is important to Nixu, and the company wants to support its personnel during uncertain times in particular. 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.

The majority of Nixu personnel worked remotely during the coronavirus pandemic. During the first half of 2022, Nixu personnel have used a hybrid working model in which employees have been able to have a say in how they work.

### On-the-job learning

During 2021, Nixu switched to a new international operating model – Better Together – in which teams work across country borders and competencies are developed with a company-wide approach, thereby providing customers with better end-to-end solutions. Better Together supports career development by, for example, enabling new international projects and work rotation between teams and business units. The entire company has been following this model since the beginning of 2022.

Nixu continues to support on-the-job learning, and in early 2022 the company launched an academy program focused on identity governance and administration (IGA). The academy provides an environment in which employees can learn and grow into digital identity (DI) and IGA professionals. During the trainee period, those selected for the program will acquire work experience in customer projects and learn from senior staff.

Nixu continued to cooperate with Academic Work Finland on a comprehensive educational program, and its graduates have been incorporated into Nixu's teams.

Since the second half of 2021, Nixu has been offering a leadership development program to all of its team leaders. The program continued during the first half of 2022.

Nixu wants to be the best place to work for cybersecurity professionals, and uses a quarterly Pulse survey to measure job satisfaction which continuous to be focus area by management.

Nixu personnel have been giving each other positive feedback through a co-worker feedback channel that was added to the Pulse survey in 2021. Its aim is to foster a positive feedback culture, provide an additional channel for feedback, and give visibility to achievements related to Nixu's values.

### Key Figures for Personnel

	30 Jun 2022	30 Jun 2021	31 Dec 2021
Average number of employees during the review period	391	377	385
Wages and salaries during the review period (EUR 1 000)	14,113	13,626	25,841
Average length of employment (years)	4.4	4.7	4.7
Average age (years)	40.2	41.8	40.7
Permanent employees	96%	97%	98%
Part-time employees	3%	4%	6%
Women's share of the group's personnel	25%	22%	24%

## Nixu Corporate Leadership Team

Nixu Corporation's Leadership Team 1 Jan 2022–30 Jun 2022 consisted of:

- Valtteri Peltomäki, interim Chief Executive Officer (as of March 1, 2022) and SVP Client Experience
- Petri Kairinen, Chief Executive Officer (until February 28, 2022)
- Björn-Erik Karlsson, SVP Expert Services
- Janne Kärkkäinen, Chief Financial Officer
- Jan Mickos, SVP Managed Services
- Katja Müller, Chief People Officer (until February 28, 2022)
- Pietari Sarjakivi, SVP Labs
- Nathalie van Delden, Chief People Officer (as of March 1, 2022)

In February 2022, Nixu appointed Teemu Salmi as the company's new CEO, and he took up his position in August 1, 2022.

## 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 selected 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.

On April 19, 2022, at the Organizing meeting 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.

## Shares and Shareholders

NIXU	Shares traded	Total value (EUR)	High (EUR)	Low (EUR)	Average price (EUR)	Latest (EUR)
Jan-Jun 2021	1,336,041	12,905,757	11.95	8.00	9.80	8.10
Jul-Dec 2021	2,043,454	15,243,770	8.50	6.54	7.37	7.02
Jan-Dec 2021	3,379,495	28,149,528	11.95	6.54	8.55	7.02
Jan-Jun 2022	1,156,948	7,463,162	8.02	5.00	6.31	5.62

	30 Jun 2022	30 Jun 2021	31 Dec 2021
Market capitalization (EUR)	41,844,794.66	60,131,913.30	52,114,325.00
Number of shareholders	5,238	4,641	5,152
Total number of shares	7,447,219	7,425,219	7,425,219
Number of the company's own shares held by the company	1,526	1,526	1,526

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 resolved a directed share issue and a matching share plan "Matching Share Plan 2022" ("Plan") to the new CEO, Teemu Salmi. The plan consists of a directed share issue against payment (Share Issue 1/2022) whereby the CEO subscribes 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.

## 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 April 19, 2022, the 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.

## 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)

## 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 2021 in the Board of Directors' report.

General economic uncertainty, along with increasing interest rates and inflation that are further speeded up by the war, may have an effect on the demand of Nixu's services. Further the war may have an effect to Nixu's personnel and other costs.

Since publishing the annual report, the war in Ukraine has become material risk and it has further caused uncertainty to Company's business. Due to the war the risk of cyber threats has increased. This also increases the risk that the Company would be a target for cyber threats. Nixu does not have any business in Russia, Belorussia or in Ukraine, instead many of Nixu's customers are present in those countries.

Although Covid-19 pandemic has continued for more than two years, not all of its effects has yet disappeared. Generally, no restrictions are in force in the countries where Nixu runs its business, but despite of that a number of sick leaves are still taking place among Nixu's employees. Nixu further considers such sick leaves as a risk to it and to its customers. Covid-19 is, however, not a major risk anymore.

## Events After the Review Period

The new CEO Teemu Salmi started in his position on August 1, 2022.

Nixu received a new around EUR 2.9 million order to deliver a cybersecurity solution to a current customer. The delivery of the cybersecurity solution will last for a maximum of three years.

## 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, 2022.

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 2022

Nixu publishes, in addition to its financial statements and annual report, its half-year financial report, CEO's review, revenue information, EBITDA and adjusted 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 13, 2022** Q3/2022 CEO's review, revenue information, EBITDA and adjusted EBITDA

### News conference

A news conference will be available for analysts, investors and media on Thursday, August 11, 2022, at 9:30 AM EEST at Sanomatalo, Studio Eero, Helsinki.

The event will be available through a live webcast at <https://nixu.videosync.fi/2022-h1-results>.

Espoo, August 10, 2022

Nixu Corporation

The Board of Directors



## Consolidated Statement of Comprehensive Income

EUR thousand	1 Jan – 30 Jun 2022	1 Jan – 30 Jun 2021	1 Jan – 31 Dec 2021
<b>Revenue</b>	<b>28,580</b>	<b>26,720</b>	<b>51,809</b>
Other operating income	38	-276	-123
Materials and services	-7,939	-6,359	-12,944
Employee benefit expenses	-17,160	-16,641	-31,791
Other operating expenses	-3,143	-2,638	-5,479
Depreciation and amortization	-930	-960	-1,917
<b>Operating result</b>	<b>-553</b>	<b>-154</b>	<b>-444</b>
Finance income	0	20	27
Finance expenses	-258	-221	-453
Interest expenses on lease payments	-33	-46	-87
<b>Finance income and costs, net</b>	<b>-291</b>	<b>-247</b>	<b>-514</b>
<b>Result before taxes</b>	<b>-844</b>	<b>-401</b>	<b>-958</b>
Income tax expense	87	-51	-26
<b>Result for the period</b>	<b>-757</b>	<b>-452</b>	<b>-984</b>
<b>Other comprehensive income</b>			
Items that may be reclassified to profit or loss:			
Translation differences	-217	-39	-101
<b>Other comprehensive income for the period, net of tax</b>	<b>-217</b>	<b>-39</b>	<b>-101</b>
<b>Total comprehensive income for the period</b>	<b>-975</b>	<b>-491</b>	<b>-1,085</b>
Result for the period attributable to:			
Owners of the parent	-757	-452	-984
<b>Result for the period</b>	<b>-757</b>	<b>-452</b>	<b>-984</b>
Total comprehensive income for the period attributable to:			
Owners of the parent	-975	-491	-1,085
<b>Total comprehensive income</b>	<b>-975</b>	<b>-491</b>	<b>-1,085</b>
<b>Earnings per share for profit attributable to the owners of the parent during the year</b>			
Basic and diluted earnings per share, EUR	-0.10	-0.06	-0.13

## Consolidated Statement of Financial Position

EUR thousand	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	12,391	12,681	12,613
Other intangible assets	1,844	2,300	2,093
Property, plant and equipment	201	307	253
Right-of-use assets	1,526	2,642	2,139
Other receivables	264	271	265
Shares and similar rights of ownership	30	0	30
Deferred tax assets	431	104	170
<b>Total non-current assets</b>	<b>16,687</b>	<b>18,306</b>	<b>17,563</b>
<b>Current assets</b>			
Inventories	0	6	0
Trade receivables and other receivables	18,994	16,393	18,734
Current income tax receivables	302	193	333
Cash and cash equivalents	3,113	5,978	4,080
<b>Total current assets</b>	<b>22,410</b>	<b>22,571</b>	<b>23,148</b>
<b>Total assets</b>	<b>39,097</b>	<b>40,876</b>	<b>40,710</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	95	95	95
Invested unrestricted equity reserve	19,439	19,314	19,314
Translation differences	-682	-403	-465
Retained earnings	-6,113	-5,097	-5,149
Result for the period	-757	-452	-984
<b>Total equity attributable to owners of the parent</b>	<b>11,981</b>	<b>13,457</b>	<b>12,811</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	1,752	2,672	2,365
Lease liabilities	526	1,433	900
Deferred tax liabilities	194	219	195
Other non-current liabilities	286	283	283
<b>Total non-current liabilities</b>	<b>2,758</b>	<b>4,607</b>	<b>3,743</b>
<b>Current liabilities</b>			
Borrowings	3,635	2,687	2,686
Lease liabilities	1,079	1,342	1,366
Trade payables and other payables	19,488	18,173	20,080
Current income tax liabilities	154	610	24
<b>Total current liabilities</b>	<b>24,357</b>	<b>22,812</b>	<b>24,157</b>
<b>Total liabilities</b>	<b>27,115</b>	<b>27,419</b>	<b>27,899</b>
<b>Total equity and liabilities</b>	<b>39,097</b>	<b>40,876</b>	<b>40,710</b>

## Consolidated Statement of Cash Flows

EUR thousand	1 Jan - 30 Jun 2022	1 Jan - 30 Jun 2021	1 Jan - 31 Dec 2021
<b>Cash flows from operating activities</b>			
Result for the period	-757	-452	-984
Adjustments for:			
Depreciation and amortization	930	960	1,917
Other non-cash adjustments	-16	-173	-100
Finance income and costs, net	291	247	507
Income tax expense	-87	51	26
Changes in working capital			
Change in trade receivables and other receivables	-220	-138	-2,596
Change in inventories	0	0	6
Change in trade payables and other payables	-420	865	2,814
Interests paid	-249	-155	-378
Interests received	0	20	0
Other finance income and costs, net	-93	-43	-54
Income taxes paid	-5	-232	-1,019
<b>Net cash flows generated from operating activities</b>	<b>-626</b>	<b>952</b>	<b>138</b>
<b>Cash flows from investing activities</b>			
Purchases of tangible assets	0	0	-10
Purchases of intangible assets	0	0	-8
Other investments	0	0	-19
<b>Net cash from investing activities</b>	<b>0</b>	<b>0</b>	<b>-37</b>
<b>Cash flows from financing activities</b>			
Proceeds from issues of shares and other equity securities	125	0	0
Proceeds from borrowings	616	0	0
Repayments of borrowings	-313	-313	-625
Lease liability repayments	-726	-680	-1,398
<b>Net cash from financing activities</b>	<b>-298</b>	<b>-993</b>	<b>-2,023</b>
<b>Net decrease (-) / increase in cash and cash equivalents</b>	<b>-924</b>	<b>-41</b>	<b>-1,921</b>
Cash and cash equivalents at the beginning of the period	4,080	6,031	6,031
Exchange gains / losses (-) on cash and cash equivalents	-43	-12	-30
<b>Cash and cash equivalents at the end of period</b>	<b>3,113</b>	<b>5,978</b>	<b>4,080</b>

## 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
<b>Equity at 1 Jan 2021</b>	<b>95</b>	<b>19,314</b>	<b>-364</b>	<b>-5,038</b>	<b>14,007</b>
Result for the period				-452	-452
Other comprehensive income for the period:					
Translation differences			-39		-39
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-39</b>	<b>-452</b>	<b>-491</b>
<b>Transactions with owners:</b>					
Share based payments to employees				-59	-59
<b>Total transactions with owners:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-59</b>	<b>-59</b>
<b>Equity at 30 Jun 2021</b>	<b>95</b>	<b>19,314</b>	<b>-403</b>	<b>-5,549</b>	<b>13,457</b>
<b>Equity at 1 Jan 2022</b>	<b>95</b>	<b>19,314</b>	<b>-465</b>	<b>-6,133</b>	<b>12,811</b>
Result for the period				-757	-757
Other comprehensive income for the period:					
Translation differences			-217		-217
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-217</b>	<b>-757</b>	<b>-975</b>
<b>Transactions with owners:</b>					
Year 2022 share issue and share plan, expenses deducted		125			125
Share based payments to employees				20	20
<b>Total transactions with owners:</b>	<b>0</b>	<b>125</b>	<b>0</b>	<b>20</b>	<b>145</b>
<b>Equity at 30 Jun 2022</b>	<b>95</b>	<b>19,439</b>	<b>-682</b>	<b>-6,870</b>	<b>11,981</b>

## 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** – include continuous services other than managed services, including continuous identity and access management services. They differ from other assignments in that they are based on agreements that are valid until further notice or self-renewing agreements.

**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 2022	1 Jan – 30 Jun 2021	1 Jan – 31 Dec 2021
Result for the period attributable to the owners of the parent	-757,411	-451,875	-983,760
Weighted average number of shares, undiluted	7,429,770	7,413,427	7,418,602
<b>Earnings per share, basic (EUR)</b>	<b>-0.10</b>	<b>-0.06</b>	<b>-0.13</b>
Impact of shares related to share-based incentive plan	12,155	116,043	57,545
Weighted average number of shares, fully diluted	7,441,925	7,529,469	7,476,146
<b>Earnings per share, diluted (EUR)</b>	<b>-0.10</b>	<b>-0.06</b>	<b>-0.13</b>

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 2022	1 Jan – 30 Jun 2021	1 Jan – 31 Dec 2021
Service type:			
Projects and assignments	14,439	13,392	26,003
Total continuous services	9,664	9,567	18,241
Managed services	5,382	5,177	9,953
Continuous services	4,282	4,390	8,287
Technology resell	4,477	3,761	7,566
<b>Total</b>	<b>28,580</b>	<b>26,720</b>	<b>51,809</b>

### Revenue by Geographical Area:

EUR thousand	1 Jan – 30 Jun 2022	1 Jan – 30 Jun 2021	1 Jan – 31 Dec 2021
Finland	16,232	15,425	29,923
Denmark	4,216	3,990	7,594
Sweden	5,626	4,880	9,836
Benelux	503	801	1,422
Norway	741	656	1,061
Other	1,262	969	1,973
<b>Total</b>	<b>28,580</b>	<b>26,720</b>	<b>51,809</b>

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 2022	1 Jan - 30 Jun 2021	1 Jan - 31 Dec 2021
Wages and salaries	14,113	13,626	25,841
Social security expenses	999	978	2,017
Share-based payments	56	135	82
Pension expenses - defined contribution plans	1,992	1,903	3,850
<b>Total</b>	<b>17,160</b>	<b>16,641</b>	<b>31,791</b>

## 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, 2021.

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 45 thousand. In the Group, the remuneration paid in shares has been accrued as an expense for the period between general meetings.

## The CEO's Remuneration

The CEO's remuneration consists of a monthly gross salary of EUR 24,000 per month and of the following fringe benefits: housing and mobile phone. In addition, the CEO's travel costs between Finland and Sweden will be reimbursed as a yearly gross amount of EUR 30,000.

The CEO is part of a long-term incentive program. The CEO is entitled to short-term incentives in accordance with Company's STI program. The maximum amount of the STI bonus is 70% of monthly salary. The board of directors shall set the targets of the CEO.

The CEO has subscribed to 22,000 shares of the company, and he is entitled to matching shares at a ratio of 1:2 at the end of a three-year retention period.

In case of sickness, the CEO is entitled to full salary for the sick leave's first three (3) months. The retirement age is the earliest statutory retirement age as valid from time to time in Finland, and no additional pension insurance is taken for the CEO. The CEO is entitled to holidays according to the Finnish Annual Holidays Act. The CEO is also entitled to vacation pay. Under the CEO agreement, a notice period of three (3) months shall apply to both parties. Additionally, should the Company terminate the agreement, the CEO is entitled to compensation equaling the amount of his six (6) months salary.

## 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 2022	30 Jun 2021	31 Dec 2021
Net book amount at beginning of the period	14,706	15,226	15,226
Additions	0	0	8
Disposals	-8	0	0
Exchange differences	-267	-45	-129
Amortization	-195	-200	-399
<b>Net book amount at end of the period</b>	<b>14,235</b>	<b>14,981</b>	<b>14,706</b>

On June 30, 2022, the amount of goodwill was EUR 12,391 thousand (12,681) and the amount of customer relationships EUR 1,844 thousand (2,300).

## 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 2022	30 Jun 2021	31 Dec 2021
<b>Non-current borrowings</b>			
Loans from financial institutions	1,752	2,672	2,365
Lease liabilities	526	1,433	900
<b>Total non-current borrowings</b>	<b>2,278</b>	<b>4,105</b>	<b>3,265</b>
<b>Current loans</b>			
Loans from financial institutions	3,635	2,687	2,686
Lease liabilities	1,079	1,342	1,366
<b>Total current loans</b>	<b>4,714</b>	<b>4,029</b>	<b>4,052</b>
<b>Total loans</b>	<b>6,992</b>	<b>8,134</b>	<b>7,317</b>
Less cash and cash equivalents	3,113	5,978	4,080
<b>Net debt</b>	<b>3,879</b>	<b>2,156</b>	<b>3,237</b>

## Borrowings

On June 30, 2022, 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. 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	30 Jun 2022	30 Jun 2021	31 Dec 2021
Loan 1a	2022/2017	5/30/26	3.95%+6 month euribor	quarterly	1,033	0	0
Loan 1b	2022/2017	5/30/26	3.95%+6 month euribor	bullet	1,032	2,065	2,065
Loan 2	2019	3/28/23	1.9%+6 month euribor	half-yearly	625	1,250	938
Loan 3	2017	5/30/23	3.8%+3.8%	bullet	2,130	2,052	2,052
<b>Total</b>					<b>4,820</b>	<b>5,367</b>	<b>5,055</b>

The interest rates of the loans ranged between 1.90% and 3.95% (June 30, 2021: 3.75%-4.75%) and for EUR 2,130 thousand the capitalized interest rate was of 3.80% (June 30, 2021: 3.80%) on the review period that ended on June 30, 2022.

The most significant 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. The formula for calculating the equity ratio differs from the official calculation formula. According to the calculation formula used in covenants, the equity ratio June 30, 2022 was 36%. 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 formula for calculating the interest bearing net debt/EBITDA differs from the official calculation formula. According to the calculation formula used in covenants, the ratio June 30, 2022 was 1.7. 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 June 30, 2022 and in the comparison period on June 30, 2021. As the covenants were met on June 30, 2022, and the current estimate is that they will also be met on December 31, 2022 and June 30, 2023, the loans were classified as non-current and current. The EUR 2,130 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. According to management's assessment Nixu's liquidity level is sufficient.

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 2022). 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, 2022, the Group does not have an interest rate swap (June 30, 2021 one interest swap contract).

## Equity

### Payments of dividends

No dividends have been paid in the 2022 financial year (2021: 0).



## Related Party Transactions

### Purchase of goods and services

EUR thousand	30 Jun 2022	30 Jun 2021	31 Dec 2021
Purchases of services	2	0	2

Nixu has purchased training services from a related party of a related party. Purchased services have been purchased at market price.

### Contingencies and Commitments

EUR thousand	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>Mortgages given on own behalf:</b>			
Business mortgages <sup>1)</sup>	10,118	10,118	10,118
Loan amount	4,820	5,367	4,938

### Other commitments

EUR thousand	30 Jun 2022	30 Jun 2021	31 Dec 2021
Rental deposits	264	271	265

<sup>1)</sup>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 4,8 MEUR financial institution loan and 5,5 MEUR credit limit. A total of EUR 616 thousand of the credit facilities were in use at the end of the review period. were in use.

## Directed share issue and Matching Share Plan

The Board of Directors of Nixu Corporation has resolved a directed share issue and a matching share plan "Matching Share Plan 2022" ("Plan") to the new CEO, Teemu Salmi.

The plan consists of a directed share issue against payment (Share Issue 1/2022) whereby the CEO subscribes 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 subscription price will be the average weighted price of the share of Nixu Corporation in Nasdaq Helsinki Oy during the period between 14 February – 14 March 2022. The Board of Directors of Nixu Corporation confirmed that the subscription price for the New Shares is EUR 5.67 per share.

The maximum number of shares 22000 that will be subscribed in the Share Issue 1/2022 is approximately 0,3 per cent of the company's shares on a fully diluted basis. Once the New Shares have been booked to book entry account they provide rights to dividends and to other shareholder rights. A total of 22,000 shares were subscribed for.

The New Shares will be entered into the Book-Entry Securities System maintained by the Euroclear Finland. New Shares will be booked to book entry account once the New Shares have been registered in the Trade Register.

Upon the above registrations the New Shares will be applied for the listing Nasdaq Helsinki Ltd along with other Nixu shares (Symbol: NIXU, ISIN: FI0009008387).

This Share Issue 1/2022 is based on the authorization granted by the AGM held on March 30, 2021.

## Events After the Review Period

The new CEO Teemu Salmi started in his position on August 1, 2022.

Nixu received a new around EUR 2.9 million order to deliver a cybersecurity solution to a current customer. The delivery of the cybersecurity solution will last for a maximum of three years.

## 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.

## Further information:

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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.

[www.nixu.com](http://www.nixu.com)

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