



A ADMINISTER GROUP

ANNUAL REVIEW

2022



ADMINISTER

wants to be the best player in our field of business with the customer experience and innovative mindset as well as with our comprehensive service offering and technological solutions. Our goal is to transform the financial management services market by developing new technologies and solutions.

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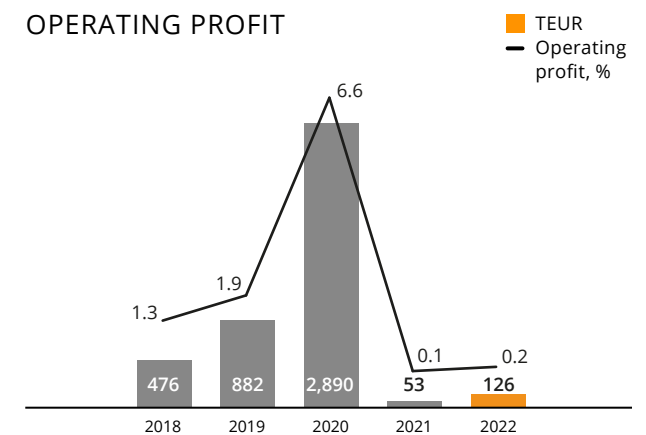
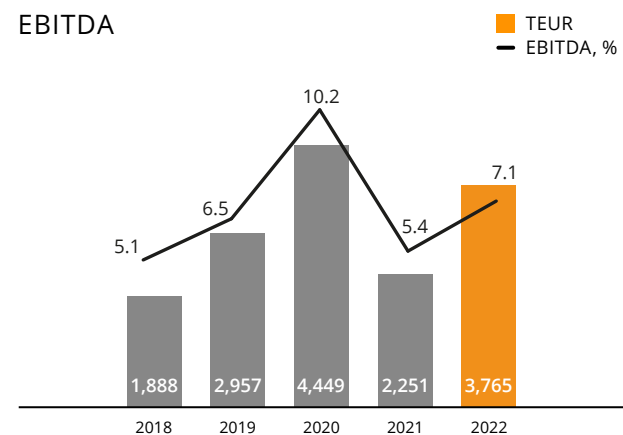
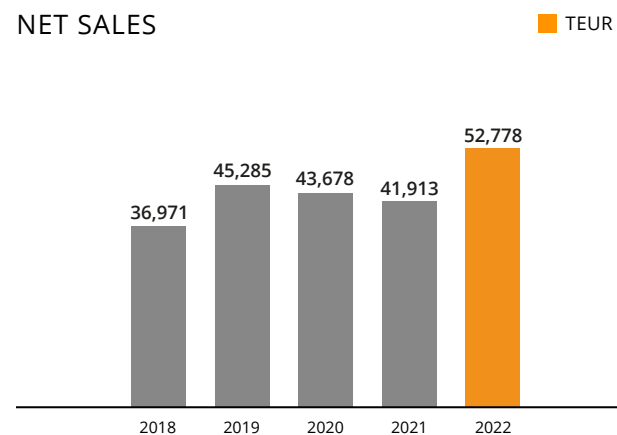


ADMINISTER IN BRIEF

Administer offers financial and payroll management services, consultancy services and software services. The company's goal is to transform the financial management services market by developing new technologies and solutions.

Administer operates in the Finnish accounting firm market whose size in 2022 was approximately EUR 1.38 billion. Measured in net sales, Administer is one of the largest financial management service providers in Finland, and measured in number of payslips, the largest HR and payroll service provider in Finland. The Group's customer

base includes organisations of all sizes from small and mid-sized companies to large enterprises, municipalities and cities. At the end of 2022, Administer had a total of 33 offices in Finland, in addition to which it also has offices in Stockholm, Tallinn, and Fuengirola, Spain.



HIGHLIGHTS IN 2022

Administer implemented its growth strategy by acquiring nine companies in 2022. Due to the acquisitions and new customer relationships, net sales increased by nearly 26% and EBITDA developed favourably in 2022.

KEY EVENTS

- **Payroll and HR services expert Silta Oy, part of Administer Group, has been handling the payroll services of Neste Corporation** from 1 April 2022 onwards. With the multi-year agreement, Silta will provide Neste with comprehensive outsourced payroll services.
- **Administer acquired Econia Ltd, an expert company specialised in financial and HR administration and international services.** In 2022, Econia's net sales totalled approximately EUR 24 million and the company employed more than 100 experts and almost 400 agency contract workers.
- **An automated invoicing system was taken into use in the accounting firm business** during the second half of 2022, and the service offering was expanded by launching legal services, among other things.
- **Administer carried out a total of nine corporate and asset acquisitions,** which strengthened especially the Group's accounting firm business.

GROWTH SUPPORTED BY ACQUISITIONS IN 2022

-
- **8 March WaBuCo**
Strengthening our international financial and payroll administration expertise
 - **16 February Konjunkturi**
Konjunkturi's payroll services become part of Tilikamut
 - **4 April Sydän-Suomen Taloushallinta**
Strengthening our operations in Central Finland: new offices in Pihtipudas and Kinnula
 - **14 June Tilitoimisto Ollikainen**
Strengthening our operations in South Savo: new office in Mikkeli
 - **17 August Konsulttiliike Laine**
Strengthening our operations in the Turku region
 - **16 October Tunturi-Lapin Yrityspalvelut**
Strengthening and complementing our operations in Northern Finland
 - **11 November Econia**
Strengthening our network particularly on the west coast and launching a new Compliance and Advisory business area aimed for domestic and international companies
 - **30 November Varkauden tili**
Strengthening and complementing our operations in Savo
 - **23 December Administer Uusimaa**
Acquisition of minority shareholding

CEO's review

DETERMINED STRATEGY IMPLEMENTATION AND CORPORATE ACQUISITIONS

I am happy with Administer Group's first year as a listed company. The listing executed at the end of 2021 has enabled the company to develop purposefully and quickly. It has also increased the general awareness of Administer, strengthening our customer relationships and our customers' trust in us.

Last year, our net sales increased by nearly 26% mainly due to corporate acquisitions and new customer relationships, while the company expanded to nearly fifteen new localities. We also signed a pleasantly large number of new customer agreements. One of the most significant of these was the transfer of Neste Corporation's payroll management to us in April. Our EBITDA also developed favourably during the year.

The market remained quite stable in 2022, although competition for both customers and skilled workforce remained tough. The war in Ukraine did not have significant impacts on Administer's business, but the uncertainties in the global economic situation and the accelerated inflation

were reflected in our operations through our client companies. However, our market is rather defensive by nature and our services are in demand even during times of increased financial uncertainty.

The prolonged trend of consolidation in the accounting firm market even accelerated in 2022. We were actively involved in this development and carried out nine corporate acquisitions during the year. Of these, by far the most significant one was the acquisition of Econia, an expert company specialised in financial and HR administration and international services, which joined the Administer family in November. The funds gathered in the listing have, for their part, enabled these corporate acquisitions, and we have also developed our processes, especially those concerning the integration phase.

In accordance with our strategy, we invested heavily in employee experience. We developed supervisory work, employee benefits and bonus programmes in particular. We have built a new leadership model and defined the





I STRONGLY BELIEVE THAT IN THE FUTURE, WE CAN ACHIEVE GROWTH AND PROFITABILITY THROUGH OUR KEY STRATEGIC THEMES – THE BEST PERSONNEL, CUSTOMER EXPERIENCE, ADVANCED PRODUCTS AND SERVICES AND PROFITABLE GROWTH.

values that guide our day-to-day activities. Our aim is to be an attractive employer, which was positively reflected as stabilisation of staff turnover and improved personnel satisfaction during the year.

The development of customer experience is another important theme for us. We made several updates to our products and services and enhanced customer experience especially with digital solutions. A good example of this is the fully digital debt collection service developed together with our partner to secure our customers' cash flow. We also accelerated the building of our consulting business. As part of this project, the launch of legal services is a fine addition to our service offering. In addition, I would like to separately mention the deployment of an automated invoicing process in the accounting firm business, which took place in the latter half of the year. The automated service invoicing makes our operations more efficient and improves cost efficiency.

In 2023, we will continue to implement and refine our strategy. I strongly believe that in the future, we can achieve growth and profitability through our key strategic themes – the best personnel, customer experience, advanced products and services and profitable growth. We have developed our organisation and invested in sales and product development. We have a good atmosphere and a can-do attitude.

Finally, I want to thank all our customers for the past year, especially for the feedback and development ideas we have received. Furthermore, I would like to give my humble thanks to our personnel for their great work and to our shareholders for their trust in us.

Peter Aho
CEO





OPERATING ENVIRONMENT

Administer offers financial and payroll management services, consultancy services and software services. The company's goal is to transform the financial management services market by developing new technologies and solutions.

STABLE FINANCIAL MANAGEMENT MARKET

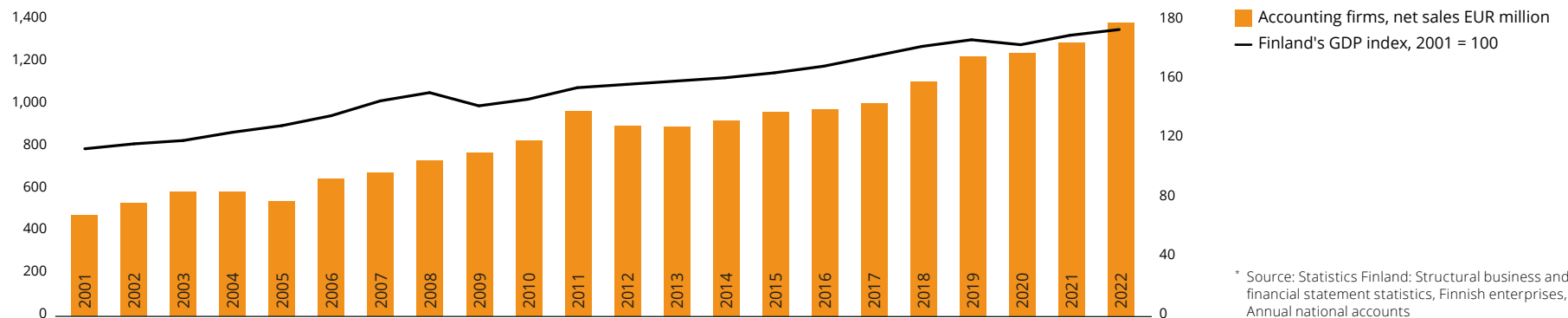
In Finland, the majority of the market for outsourced financial management services relates to the accounting firm business. The accounting firm market in Finland has historically been very stable. In 2022, the accounting firm market grew by 7.2% in 2022, amounting to approximately EUR 1.38 billion. The number of accounting firms operating in Finland has remained at slightly over 4,000 for the last ten years despite the prolonged trend of consolidation in the industry.

The market environment remained rather stable also in 2022, although competition continued to be fierce. The war in Ukraine did not have a direct impact on the market, which has not, however, recovered from the fall caused by the COVID-19 pandemic to the pre-pandemic level. In addition, uncertainties in the global economic situation and the accelerated inflation were reflected in the industry through client companies.

DEVELOPING HR SERVICE MARKET

Administer's target market in the HR services sector relates particularly to HR consulting, recruitment services and staff leasing for financial management. The HR management sector is expected to evolve into a more comprehensive part of the business and thereby increase its importance in companies.

DEVELOPMENT OF THE ACCOUNTING FIRM MARKET IN FINLAND *



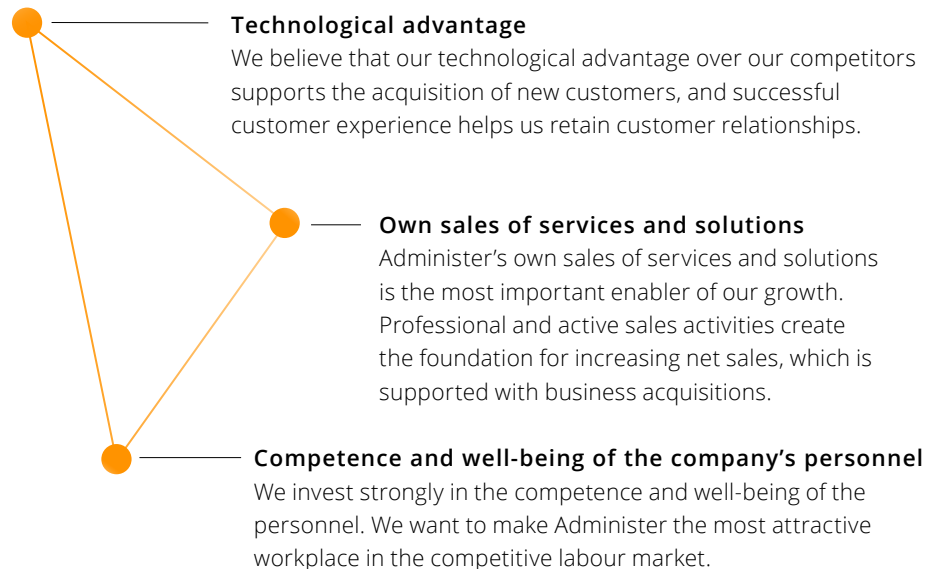
* Source: Statistics Finland: Structural business and financial statement statistics, Finnish enterprises, Annual national accounts

STRATEGY

We want to be the best player in our field of business with our high-quality customer experience and innovative mindset as well as with our comprehensive service offering and technological solutions.

Profitable growth is at the core of Administer's strategy. We seek a significant share in financial and payroll management services and solutions as well as consulting in Finland. At the same time, we will introduce new products and services in the market and actively seek opportunities for business acquisitions suitable for our operations.

THE CORNERSTONES OF OUR STRATEGY



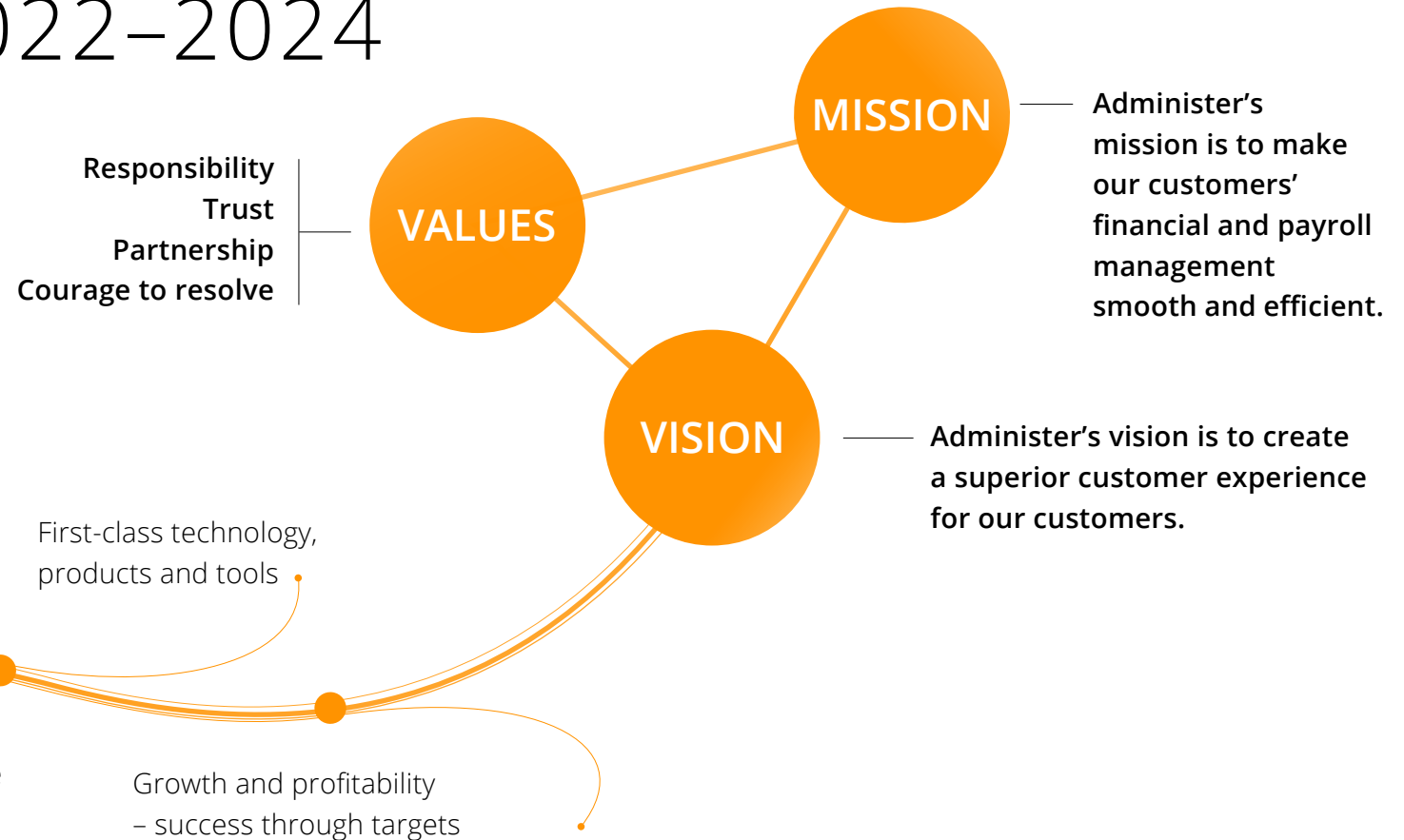
FINANCIAL TARGETS

EUR 84 million
net sales in 2024

24%
EBITDA margin in 2024

Dividend policy:
Administer seeks to distribute as dividends a minimum of
30%
of its result adjusted with amortisation of goodwill.

Strategy 2022–2024



STRATEGY IMPLEMENTATION IN 2022

The listing of Administer executed at the end of 2021 enabled the company to develop purposefully and quickly in 2022.

<p>Nine completed corporate acquisitions, of which the acquisition of Eonia was clearly the most significant.</p>	<p>Investments in employee experience through the development of supervisory work, employee benefits and bonus programmes in particular. Additionally, a new leadership vision was created and values that guide everyday activities were defined.</p>	<p>Customer experience was enhanced by improving products and services with digital solutions. The building of consulting business was accelerated.</p>	<p>Continued investments in product development and sales.</p>
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ECONIA BROUGHT MORE THAN 100 NEW EXPERTS AND NEW BUSINESS TO THE GROUP

The highlight of 2022 took place in the beginning of November when Econia Ltd joined Administer Group through a corporate acquisition. This marked the largest acquisition in the history of Administer, bringing more than 100 new HR and financial management and international business experts as well as almost 400 agency contract workers to the Group. Econia operates in 13 locations in Finland and in Fuengirola, Spain.

Econia has strong experience in developing corporate finances, personnel resources and international business operations. Its service offering also includes, among other things, expert services in preventing grey economy as well as labour law-related services that complement the offering of Administer Group brilliantly. A wider range of services means that the Group can provide even more versatile expertise to its customers.

“This offers Econia a great opportunity to invest in service quality and efficiency even more strongly, as we now have access to Administer Group’s software solutions and knowledge. This also sends a positive signal to our customer base. In addition, our competitive position will improve through the synergies enabled by the Group. As part of and together with Administer Group, we will continue on the same path of strong growth that Econia has already trodden for the past few years,” says Director **Arttu Eräpalo**.

The acquisition of Econia supports Administer’s growth strategy, and Econia has also seen solid growth. In Administer Group, Econia will continue as its own unit with its own brand.



BUSINESS



Administer's comprehensive offering includes versatile, high-quality financial management services, HR and payroll management services and software services. The Group also offers its customers professional consulting in all its business areas.

FINANCIAL MANAGEMENT SERVICES

Administer provides comprehensive financial management services to various customer segments. Digital financial management lies at the heart of the company's financial management services. Administer's accounting service takes care of customers' financial management routines and accounting obligations efficiently and accurately. The accounting service also includes reporting and analysis of figures, in addition to which customers can take care of accounting-related notices to authorities in Finland, Sweden and Estonia through Administer.

Artificial intelligence, which Administer has used in its operations for several years, has a significant role in the company's financial management services. Administer uses AI increasingly to carry out accounting routines, releasing experts' capacity for activities producing higher added value.

Last year, the market environment remained quite stable, but the increased economic uncertainty impacted the activity of financial administration customers and

transaction volumes of services. The competition in the market remained tough in 2022. The war in Ukraine did not have a direct impact on the market, which has not, however, recovered from the fall caused by the COVID-19 pandemic to the pre-pandemic level.

For the financial management business, the year 2022 was better than the previous one as net sales and profitability developed favourably. The increase in net sales was affected especially by the nine corporate acquisitions carried out during the year. Investments in sales and the acquisition of new customers as well as new services also generated results. In addition, we managed to leverage our brand recognition, which improved with the listing at the end of 2021.

Administer continued the determined implementation of its strategy in financial management services. The most significant realised corporate transaction was the acquisition of Eonia, an expert company specialised in financial and HR administration and international services, which joined the Administer family in November.

Our strategic efforts focused on leadership and developing supervisory work, and we also invested in technology during the year. We made several upgrades to existing software and expanded the use of artificial intelligence in accounting further. During the year, customer satisfaction began to rise in the Net Promoter Score survey thanks to investments in customer experience.

Product and service upgrades launched in 2022 included, among others, several updates to the digital eFina financial management service (e.g., online invoicing for consumers, a marketing brochure included in sales invoices, expanded reporting functions, the deployment of an API service for tax authorities), new HR services and the launch of a partnership with Intrum Oy to provide more efficient debt collection services.

In 2023, Administer will continue to bring new services and technologies to the market. Positive development is expected to continue also in terms of personnel and customer experience.



CARBONLINK CALCULATES YOUR CARBON FOOTPRINT USING FINANCIAL DATA

Sustainability is an increasingly important part of the daily activities of companies around the world, who seek ways to measure and reduce their emissions. CarbonLink, a company founded by climate scientists from the University of Helsinki, has created a system for calculating companies' carbon footprint based on their purchase invoices and accounts of expenses. The algorithm identifies the essential information about a given purchase – for example, that the bought item is a laptop or a printer – and combines the information with data on the CO2 emissions caused by its production, taken from a carbon database.

“Providing the service works best when there is modern financial management software into which the required APIs can be integrated. As Administer’s customer, I found that their eFina software, which the company continuously develops itself, suits this purpose excellently. This gave birth to the idea of forming a partnership, and we are already preparing a joint pilot that will be carried out in 2023,” says **Merli Juustila**, CEO of CarbonLink.

Consequently, Administer’s customers will have access to a revolutionary service that significantly reduces the time spent on calculating their carbon footprint. In its simplest form, the service enables the customer to receive real-time data with a single click. Based on the data, the customer can immediately take measures to reduce their carbon footprint more easily than before. Until now, data collection has been a long multistep process, typically executed once a year. The algorithm also carries out more accurate and systematic calculations and assessments than a human being.

“Many companies set targets for carbon neutrality, but tracking the targets is arduous. Calculating indirect emissions in particular is so challenging for many that they skip it and only report direct emissions and emissions related to energy purchases. However, indirect emissions often account for the largest share of total emissions, and we want to provide Administer’s customers with an easier way to calculate and track them,” Juustila states.



HR AND PAYROLL MANAGEMENT SERVICES

Administer is Finland's largest payroll management service provider, managing the monthly payroll calculation of more than 100,000 Finns. Within Administer Group, Silta Oy provides HR and payroll management services to some of Finland's largest companies as well as medium-sized client companies. Under the Administer brand, payroll management services are offered to small- and medium-sized companies.

Administer's HR services support client companies in strategic planning as well as in operative day-to-day activities. Continuous or project-based services can relate to organisational planning, defining job descriptions, drafting statutory documentation, recruitment processes and managing change situations, among other things.

In 2022, the net sales of the payroll service business turned to growth, improving its EBITDA. This development was driven by new customers, sales of additional services and the development of operations. The most significant

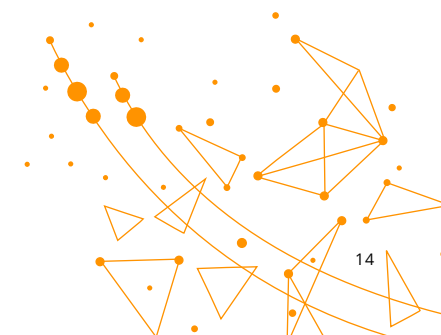


new customer relationship was the transfer of Neste Corporation's payroll management to Silta Oy from April 2022 onwards. With this partnership, Neste's pay system will be replaced with a new and efficient solution.

At the beginning of 2022, a shift from a location-based service centre model to a new two profit centre model was implemented. Organisational restructuring, changes in the Management Team and investments in line manager work improved personnel satisfaction, which was also reflected in the monthly performance metric measuring job satisfaction. Besides competence development and recruitment, the company focused on supporting the organisation's agility and culture of experimentation. Special attention was paid to the importance of boldness in problem-solving as well as to the importance of developing new ways of working at all organisational levels. This was done with the help of the new management system and Lean methods.

During the year, Administer deepened its cooperation with its main system supplier CGI significantly. Another important development step was the deployment of the HR analytics tool Qlik Sense, which creates added value for customers. With the continued development of the Simo smart phone application for end-users, the number of wage earners using the mobile application grew to 30,000 users.

The future of the payroll service business looks solid. In 2023, we will invest further in process automation and harmonisation as well as the productisation of sales. The aim is to strengthen both customer relationships and personnel satisfaction.



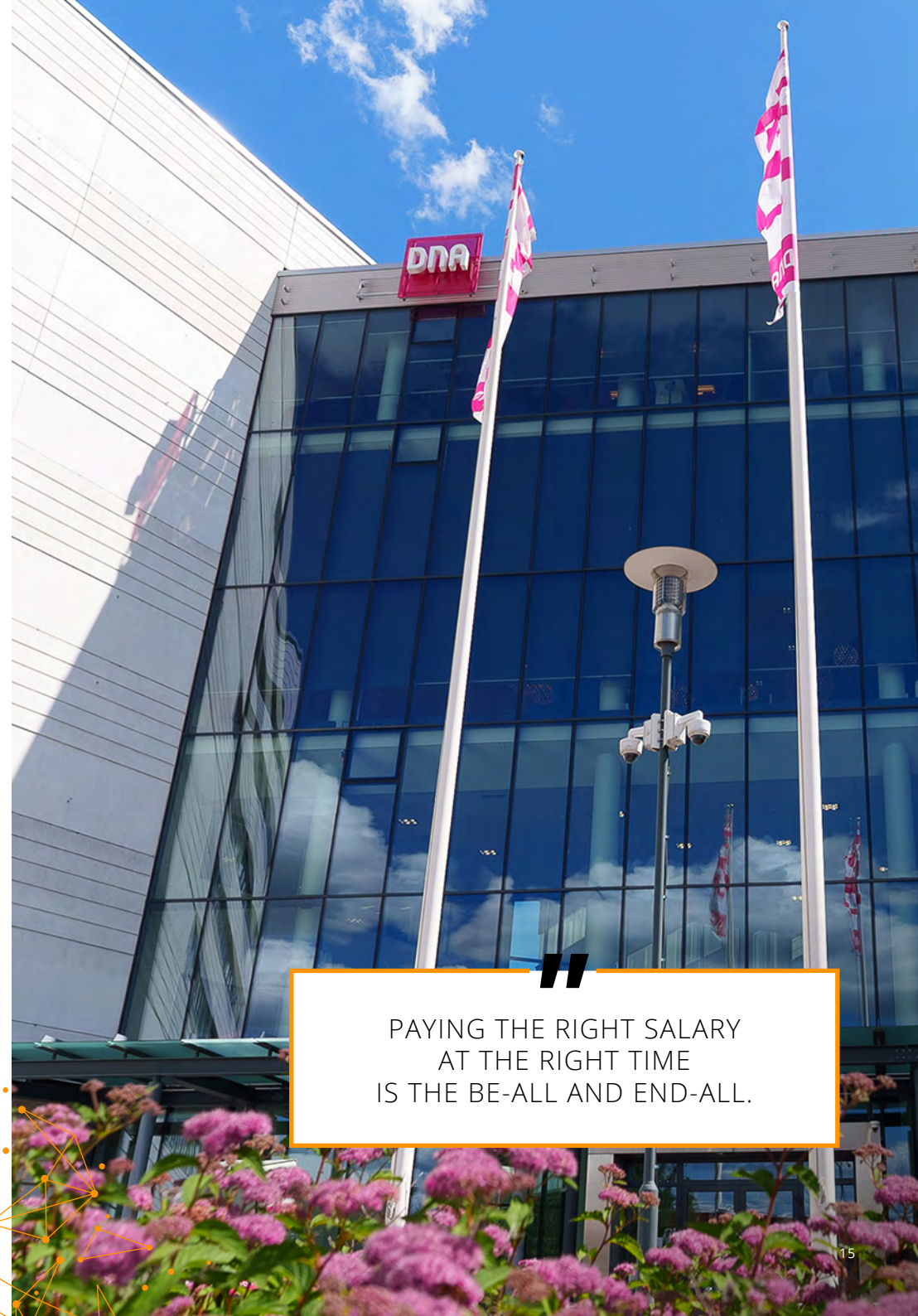
DNA: SUCCESSFUL PAYROLL CALCULATION IS OF UTMOST IMPORTANCE

DNA is one of Finland's leading telecommunications corporations, and one of the company's strategic goals is to be a great place to work. Silta is one of DNA's trusted partners, taking care of the payroll calculation of DNA employees.

"It is critically important to calculate salaries correctly. Silta's Simo application is a very simple, first-class application that enables DNA employees to view their salary and tax information easily. This lightens the workload of our payroll management team considerably," **Marko Rissanen**, SVP, Human Resources at DNA, says gratefully.

Mona Väisänen, who works as a payroll administration expert at DNA, knows from experience that calculating the salaries of such a large staff does not happen overnight. According to Väisänen, one particularly good aspect of working with Silta is the fact that the company clearly focuses on one complex matter at a time. Silta does things in an organised manner and knows the desired outcome from the get-go.

"For me, successful payroll calculation is everything. Cooperating with Silta is extremely smooth, and I have been happy with the service. They refine and improve their processes, just like we do here at DNA," Väisänen states. "Handling salaries requires more precision than many other things. Paying the right salary at the right time is the be-all and end-all," Väisänen concludes.



“
PAYING THE RIGHT SALARY
AT THE RIGHT TIME
IS THE BE-ALL AND END-ALL.”



SOFTWARE SERVICES

Administer applies its proprietary software and software solutions as part of the larger service packages it offers. In addition, Administer sells its EmCe software to its customers, including accounting firms and their customers, for independent use outside service packages. Administer has developed the eFina software, which was launched already in 2000 and plays a significant role especially in Administer's financial management services. Based on customer needs and wishes, third-party or customer systems can be integrated into the company's software.

Software services reached their current form in 2021, when EmCe Solution Partner joined the Group. The acquisition complemented Administer Group's service offering in a significant way and introduced important software expertise that supports the service development of all business areas.

In 2022, the software services business continued expanding its service offering to the public administration sector. A good example of this is the agreement with the Häme University of Applied Sciences, which became the second university of applied sciences to deploy the EmCe Professional product. Additionally, the synergies of the acquisition of EmCe started to take shape during the year, as we have been able to utilise EmCe's software in the Group's other business operations – for example, in payroll management. Software services continued to increase resources in product development and, for example, the EmCe 365 product for handling purchase invoices is about to be completed as regards the capabilities needed by customers.

The competitive situation in the software service market continued to be challenging in 2022 especially in terms of prices. We strive to differentiate our business from other market operators by offering products that are more suitable for use in accounting firms. Additionally, we aim at being the most efficient player in the industry. The development of the Microsoft Dynamics 365 Business Central ERP projects continued at a steady and strong pace in 2022.

In 2023, the objective is to continue acquiring new customers especially in the public sector and to fully leverage the results of the development project related to customer experience. Moreover, we aim to achieve the synergies of the EmCe acquisition in full.





EMCE CUSTOMISED A SPOT-ON SOLUTION FOR FINNPARK



Finnpark is a Finnish company that produces and provides different mobility and parking solutions for private individuals and corporations. The company's perhaps best-known service is the Moovy parking system, which makes parking in streets and car parks easier across Finland.

Following the increase in the number of Group companies due to a corporate transaction in 2022, Finnpark found itself in need of a more efficient group accounting tool. The company sought a more flexible ERP that would enable it to improve the efficiency of different financial processes. Finnpark deployed the Microsoft Dynamics 365 Business Central ERP.

"The project began with a specification phase in which EmCe came up with good solutions for our processes and challenges. For example, parking fees come directly to our bank account, and there are so many of them that it's not possible to process them manually. Together with EmCe, we built a snippet of code within the ERP that makes the accounting entries automatically based on the reference information of the payments," **Riitta Kuparinen**, who is in charge of general ledger and group accounting at Finnpark.

EmCe was selected as the service provider, because it is a suitably sized, customer-centric and reliable partner. EmCe's package also included add-ons developed by the company for, among other things, contract invoicing and group accounts, which were important focus areas for Finnpark.

"By automating some of the repetitive work phases, we were able to carry out processes more efficiently and the work is more meaningful. Dynamics 365 brings structure to our operations and enables the customisations we require," says **Matti Anttila**, CFO of Finnpark.

According to Anttila, cooperation with EmCe has run smoothly both during the project and afterwards. It is easy to get support and answers to critical questions are provided very quickly.

CONSULTING SERVICES

Administer Group provides its customers with consulting services related to financial management as well as HR and payroll management business. Administer Plc's financial management services offer resources, information and consultancy needed by the executive management of its client companies in rapidly changing situations as well as for the long-term development of their business. External insights are helpful in executing corporate acquisitions, financial planning, managing growth spurts as well as in matters concerning registration and changes, among other things.

As for Silta Oy, it supports client companies by mapping HR and payroll management processes and identifying targets for development. The service offering covers consultancy related to, for example, outsourcing of payroll management, developing HR to better support business operations and utilising business intelligence systematically.

During the year, the Group's consulting services business increased its revenue and customer base. Consulting is a service of higher added value, aiming for higher profitability than the Group on average. There is significant growth potential in terms of revenue and profit development as operations are scaled. In 2022, we focused on building the consulting services and increasing their awareness.

Despite the COVID-19 pandemic, energy crisis and inflation, the demand for consulting services has remained unchanged or even increased, and the market could be



considered defensive. As prices and costs continue to rise, customers need more and more support in maintaining and growing their businesses. Thanks to our diverse service offering, we can help them regardless of economic fluctuations.

In 2022, we built a new legal business and clarified the offering of outsourced HR services. Launched in September, the legal business comprises versatile legal services, which the customer can now purchase from us instead of having to turn to a law firm. We help with matters related to labour law, contract law and disputes, among others.

As regards outsourced HR services, we offer a turnkey service, which eliminates the customer's need to employ its own HR personnel. We are seeing strong growth

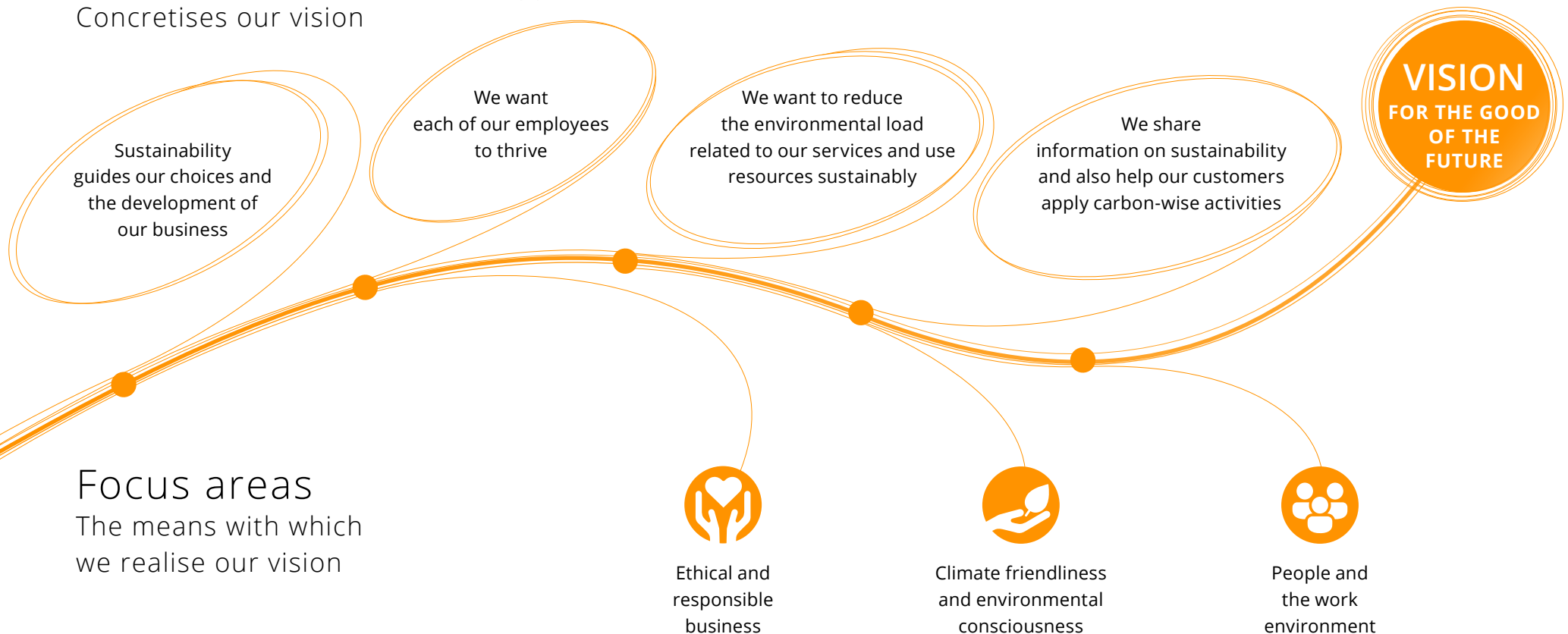
especially in Professional Employer Organisation (PEO) services, through which employees are hired by client companies while we manage the administrative work such as salary payment and HR services.

In our consulting business, we executed the Group's strategy and focused on personnel satisfaction and customer experience in 2022. In 2023, we will be even more ready to implement our strategic goals and create deeper partnerships with our client organisations.

SUSTAINABILITY AT ADMINISTER

In Administer Group, we have worked with a long-term view to promote the well-being and career development of our personnel, paperless financial management and ethical business, among other things. In 2022, we created the Group's first sustainability strategy, which guides our corporate responsibility efforts going forward and takes us towards a more sustainable direction. The next step is to set concrete targets and plan measures that support the three strategic focus areas.

The core of the strategy Concretises our vision



ETHICAL AND RESPONSIBLE BUSINESS

We pay our taxes in Finland, in every municipality we operate in. We want to support the vitality of every corner of the country and offer our clients local service everywhere in Finland. Our financial management professionals are familiar with our customers' operating environment.

We take good care of our customers' finances as well as our own. With profitable business and good governance, we ensure the continuity of our operations. Everyone at Administer knows our Code of Conduct and our processes for preventing bribery and corruption.

Strong data protection is a prerequisite of our business. With our data protection policy, we ensure that the legal rights and requirements relating to the processing of the personal data of our customers, personnel and other stakeholders are observed.

During the year under review, the entire personnel participated in Code of Conduct training, which promotes ethical and responsible operations. The training is part of the orientation of new employees.

The Group has invested considerably in data protection and data security training, and the entire personnel received training during the year. The company has created a clear process for potential violations of data protection. Regarding the incidents processed during the year, no further measures were taken by the data security authorities.

We strive for high-quality, sincere, open and responsible activities in all our business operations. The Group does not tolerate illegal activity, financial malpractice, exposing the public or the environment to hazards or any harassment or inappropriate behaviour at the workplace.

The Group uses an anonymous whistleblowing channel. It is also available to the Group's external stakeholders such as customers, suppliers and partners. We also use internal reporting channels.

CLIMATE FRIENDLINESS AND ENVIRONMENTAL CONSCIOUSNESS

Digital financial management is at the core of Administer's business. It aims at minimising the use of paper in accounting and payroll management. We recycle materials and aim at reducing energy consumption in our own offices. When purchasing goods or materials, we favour sustainable products and services.

We also pay attention to the efficient use of our own offices. As hybrid work has become more popular, the need for own offices has changed, and our aim is to update our offices to meet the current need. Offering an extensive possibility for remote work also reduces the need to commute, thereby decreasing emissions.

We avoid unnecessary travel also within the scope of work and maintain close contact with our clients and colleagues online and by phone. However, thanks to our geographically broad network of offices we can be close to our customers and have face-to-face discussions without making long-distance trips. We also develop and use digital tools to support cooperation with customers.

PEOPLE AND THE WORK ENVIRONMENT

Administer Group employs people across Finland. The well-being of our employees is of utmost importance to us, and we provide our entire personnel with comprehensive occupational healthcare as well as versatile exercise and well-being services. We aim to continuously develop our corporate culture and work environment across the Group. In 2022, we improved leadership in particular and created a new leadership vision (more information on this topic is available in the Our personnel section of this report on pp. 21–22).

Administer's employees have versatile possibilities to develop their capabilities and professional skills. Our extensive training portfolio includes different ways of studying for different needs. We offer our employees the opportunity to get KLT and PHT degrees while working. We support job rotation and encourage our employees to seize new opportunities within the Group.

We actively cooperate with educational institutions and offer future financial and payroll management and HR experts trainee opportunities in our offices around Finland. In 2022, Administer Group provided a trainee position for 60 students or persons starting a career in a new industry. After graduation, many trainees find a permanent job in Administer Group.

We respect human rights in everything we do and have zero tolerance for discrimination, harassment or bullying.



OUR PERSONNEL

Administer Group employs approximately 1,100 people across Finland. Our personnel includes, among others, financial management professionals, payroll specialists and system experts. Expert service and insight are employee characteristics that make our customers trust us. In 2022, our personnel became more diversified and grew significantly as Econia, an expert company specialised in financial and HR administration and international services, joined the Administer family in November.

We offer good employment for financial management talent in different career phases, from trainees to seasoned professionals. Our personnel are provided with constant possibilities for learning, developing and growing in their roles. We offer internal career paths, and many have switched from one job to another during their career.

In line with our strategy, we invest strongly in the competence and well-being of the personnel. Our goal is to create an attractive position that sparks interest in the challenging job market. Satisfied employees create the basis for a good customer experience and customer satisfaction.



FOCUS AREAS IN 2022

We continued to develop our supervisory work, employee experience and employer image in 2022. In September, we implemented our leadership vision, according to which we desire to build trust, encourage and engage employees as well as lead by example. By developing our managerial work, we can more accurately define what type of support supervisors need, while offering them a network for collaboration.

As part of the employee experience, we support our personnel in getting KLT and PHT degrees by offering coaching and covering the costs of the degree examination. KLT and PHT are expert degrees in financial

and payroll management and valued signs of professional skill and extensive knowledge of the industry. During 2022, we also harmonised and made improvements in employee benefits across the Group.

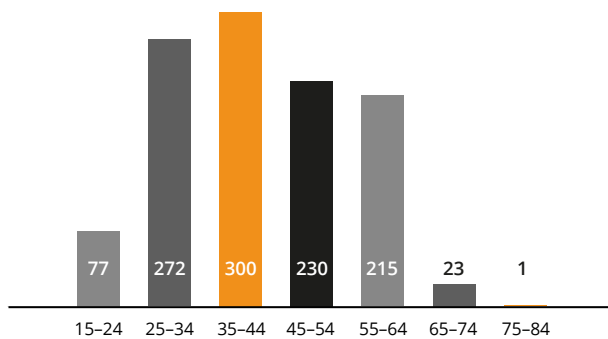
Throughout the year, we continued to measure personnel satisfaction with a monthly pulse survey. In 2022, the strengths that came up included cooperation between teams, helpful and skilled colleagues, the possibility for remote work as well as the breakfasts organised for personnel at the offices. We have also aimed at increasing communications on the development measures taken based on the pulse survey.

Our objective is to reshape the employee experience survey to be able to measure customer and employee experience with the same tool in the future. In addition to the regular pulse surveys, we are also planning to conduct a more extensive annual personnel survey.

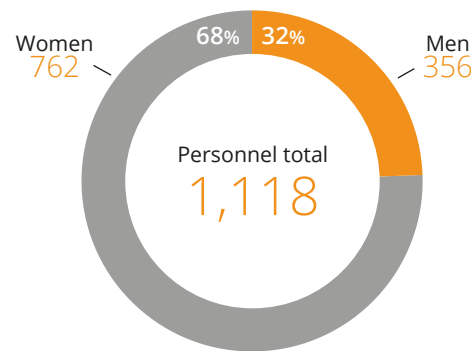
We have developed our employer image by, for example, increasing our visibility in social media channels. We have deepened our cooperation with educational institutions, as we see this as an important recruitment channel. For example, the Haaga-Helia University of Applied Sciences has a dedicated Administer class. We also decided to establish a Trainee programme in spring 2023 for students who are finishing their studies.

A rather high staff turnover is a common challenge in our industry, and this will be one of our focus areas going forward. We have managed to employ skilled people, which requires continuous and long-term work towards developing our employee experience and employer image.

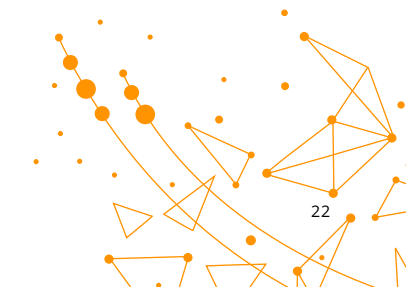
PERSONNEL BY AGE



PERSONNEL BY GENDER



Reference: These personnel calculations include both permanent white-collar workers and agency contract workers hired for our subcontractors.



CORPORATE GOVERNANCE AND REMUNERATION

Administer's governance is divided between governing bodies such as the General Meeting, Board of Directors and CEO, in accordance with the Finnish Companies Act and the company's Articles of Association. The Management Team assists the CEO in the day-to-day operations of the company.

The company's decision-making process and corporate governance comply with the Finnish Companies Act, the company's Articles of Association, the rules of First North, securities market legislation and other regulations applied to the company. As Administer's shares are not listed on the stock exchange list of Nasdaq Helsinki or any other regulated market, the company is not required to comply with the Finnish Corporate Governance Code for listed companies issued by the Securities Market Association in effect as of 1 January 2020. However, the company intends to ensure the compliance of its governance with the Finnish Corporate Governance Code in the coming years.

Shareholders use the rights to which they are entitled mainly in the General Meeting, which is usually convened by the company's Board of Directors. In addition, Extraordinary General Meetings must be held when

requested in writing by the auditor of the company or by shareholders of the company holding at least 10 per cent of all the shares of the company.

REMUNERATION OF THE BOARD OF DIRECTORS

According to the Finnish Companies Act, the General Meeting of Shareholders decides on the fees payable to the members of Administer's Board of Directors. The Annual General Meeting on 18 May 2022 decided that the Chairman of the Board shall be paid an annual remuneration of EUR 50,000 and other members of the Board of Directors who are not employed by the company shall each be paid an annual remuneration of EUR 25,000. The Chairman of the Audit Committee shall be paid a meeting fee of EUR 500 per meeting and other members shall each be paid a meeting fee of EUR 300. The travel expenses of the members of the Board of Directors and the committees are reimbursed in accordance with the company's travel policy.

Administer does not have share-based incentive plans in effect. The company offers incentive plans to the Group's personnel and the members of the Management Team based on their performance.





REMUNERATION OF THE MANAGEMENT TEAM

SALARIES AND FEES PAID TO THE CEO, THE MANAGEMENT TEAM AND THE BOARD OF DIRECTORS IN 2020–2022

EUR thousand	2022	2021	2020
CEO	218.0	208.0	207.7
Other Management Team members	901.2	727.6	622.7
Board of Directors	160.9	61.0	56.0
Total	1280.1	996.6	886.4

SHAREHOLDING OF THE MANAGEMENT TEAM AND THE BOARD OF DIRECTORS ON 31 DECEMBER 2022

Name	Position	Number of shares	% of shares
Management Team			
Peter Aho	CEO	6,880,980	48.02
Markus Backlund ¹	CEO, EmCe	5,000	0.03
Kimmo Herranen	CEO, Silta Oy	231,700	1.62
Johan Idman	CFO	15,000	0.10
Jukka Iivonen	CIO	1,000	0.01
Jussi Jaakkola	Sales Director	12,880	0.09
Paula Niemi	Chief Human Resources Officer	0	0
Kati Paulin	Chief Strategy Officer	0	0
Mikko Vahtera	Business Area Director, Consultancy Services	0	0
Pertti Vartiamaäki	CEO, Kuntalaskenta Oy	1,150	0.01
Board of Directors			
Jukka-Pekka Joensuu ²	Chair of the Board of Directors	18,750	0.13
Peter Aho	Member of the Board of Directors	6,880,980	48.02
Julianna Borsos ³	Member of the Board of Directors	47,153	0.33
Risto Koivula	Member of the Board of Directors	0	0
Minna Vanhala-Harmanen	Member of the Board of Directors	0	0

¹ Backlund holds 27 per cent of Sijoitus Oy MC Invest Ab's shares and 26.7 per cent of its votes. Sijoitus Oy MC Invest Ab holds 1,205,508 shares in the Company, accounting for 8.41 per cent of the Company's shares and votes.

² Joensuu does not directly hold shares in the Company. Joensuu holds 65 per cent of the shares of a shareholder of the Company, Delfyne Oy, which holds 18,750 shares in the Company, accounting for 0.13 per cent of the Company's shares and votes.

³ Borsos does not directly hold shares in the Company. K22 Finance Oy, which is a related party of Borsos, holds 47,153 shares in the Company.

BOARD OF DIRECTORS

31 December 2022



RISTO KOIVULA

Member of the Board of Directors (2021-)
Born 1968

Master of Science (Technology),
Executive Master in Business Administration
Independent of the company and of the
major shareholders of the company



JUKKA-PEKKA JOENSUU

Chair of the Board of Directors (2018-)
In the Board since 2016
Born 1966

Master of Law, Lawyer
Not independent of the company but independent
of the major shareholders of the company



MINNA VANHALA-HARMANEN

Member of the Board of Directors (2022-)
Born 1968

Bachelor of Laws, Master of Laws with court training
Independent of the company and of the
major shareholders of the company



PETER AHO

Member of the Board of Directors (1994-)
Born 1970

Vocational Qualification in Business and
Administration, studied economic sciences
Not independent of the company nor
of one of its major shareholders

JULIANNA BORSOS

Member of the Board of Directors (2018-)
Born 1971

Doctor of Science (Economics and Business Administration)
Independent of the company and of the
major shareholders of the company

MANAGEMENT TEAM

31 December 2022



PERTTI VARTIAMÄKI

CEO, Kuntalaskenta Oy (2018-)
Born 1967
Vocational Qualification in
Business and Administration

JUSSI JAAKKOLA

Sales Director (2020-)
Born 1974,
Bachelor of Business
Administration

PETER AHO

CEO (1994-)
Born 1970, Vocational Qualification in
Business and Administration,
studied economic sciences

JOHAN IDMAN

CFO (2017-)
Born 1967
Master of Science in Economic Sciences,
Master of Science in Technology

PAULA NIEMI

Chief Human Resources Officer
(2022-)
Born 1977, BBA and HR Manager
examination

MIKKO VAHTERA

Business Area Director,
Consultancy Services (2022-)
Born 1986, Master of Science
(Economics and Business Administration)

KATI PAULIN

Chief Strategy Officer (2021-)
Born 1979
Master of Business
Administration

JUKKA IIVONEN

CIO (2018-)
Born 1963
Master of Science (Economics and
Business Administration)

MARKUS BACKLUND

CEO, EmCe (2008-)
Born 1968
Vocational Qualification in
Business and Administration

KIMMO HERRANEN

CEO, Silta Oy (2021-)
Born 1973
Master of Science (Economics
and Business Administration)

Seija Uusitalo assumed her position as Director of Communications and member of the Management Team of Administer Group on 1 February 2023.

Susanna Suomela assumed her position as Director of Marketing and member of the Management Team of Administer Group on 1 February 2023.

CFO Johan Idman has left the company on 17 April 2023.

INFORMATION FOR INVESTORS



Administer engages in dialogue with the investor community. Its objective is to ensure that the markets always have accurate, sufficient and up-to-date information for defining the value of the company's share. We follow the principles of transparency and fairness and strive to serve all stakeholders in the best possible manner.

ANNUAL GENERAL MEETING AND FINANCIAL REPORTING IN 2023

The Annual General Meeting of Administer Plc will be held on Tuesday 16 May 2023.

Financial reporting in 2023:

- Financial statements bulletin 2022: 30 March 2023
- Half-year review January–June 2023: 31 August 2023

The Annual Report 2022, including the financial statements and the Board of Directors' Report, will be published on week 17 (w/c 24 April) in 2023.

SHAREHOLDERS

Administer Plc was listed in the First North market of Nasdaq Helsinki on 17 December 2021. According to Euroclear Finland Oy, the company had 2,047 shareholders (2,808 on 31 December 2021) at the end of 2022. The table below presents the largest shareholders. The list of the largest shareholders is updated monthly and available at <https://administergroup.com/en/investors/>.

ADMINISTER'S 20 LARGEST SHAREHOLDERS ON 31 DECEMBER 2022

		Number of shares	% of shares
1	Aho Peter Olof Alexander	6,880,980	48.02
2	Ilmarinen Mutual Pension Insurance Company	1,250,000	8.72
3	Sijoitus Oy Mc Invest AB	1,205,508	8.41
4	Oy Fincorp Ab	362,213	2.53
5	Varma Mutual Pension Insurance Company	337,093	2.35
6	Elo Mutual Pension Insurance Company	308,642	2.15
7	Salmivala Maria-Elina	258,890	1.81
8	Herranen Kimmo	231,700	1.62
9	Emceläiset Oy	146,533	1.02
10	Oy Talcom Ab	133,000	0.93
11	Husu Päivi Marianna	123,766	0.86
12	Oy Cata-Holding Ab	103,000	0.72
13	Rantalainen-Yhtiöt Oy	85,348	0.60
14	Bähar Investment Ltd Ab	84,790	0.59
15	Mandatum Life Insurance Company Limited	75,659	0.53
16	Tallberg Carl Johan	74,809	0.52
17	JP Accounting Oy AB	74,300	0.52
18	Creacap Oy	64,000	0.45
19	Rantanplan Oy	57,100	0.40
20	Taavi Capital Oy	51,540	0.36
20 largest in total		11,908,871	83.11
Nominee registered		365,314	2.55
Other shareholders		2,055,230	14.34
All shares in total		14,329,414	100.00



ANALYSTS MONITORING THE COMPANY

- Evli Pankki
- Inderes

Forecasts and views presented by
the analysts are their own, and the
company is not responsible for them.

CONTACT INFORMATION FOR INVESTOR RELATIONS

Peter Aho
CEO
peter.aho@administer.fi

FINANCIAL REVIEW

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BOARD OF DIRECTORS' REPORT



ADMINISTER IN BRIEF

Administer Group offers financial and payroll management services, consultancy services and software services. The company's goal is to transform the financial management services market by developing new technologies and solutions.

Administer operates in Finland's accounting firm market, the size of which was approximately EUR 1.38 billion in 2022. Measured in net sales, the company is one of the largest financial management service providers in Finland, and measured in number of payslips, the largest HR and payroll service provider in Finland. The Group's customer base includes organisations of all sizes from small and mid-sized companies to large enterprises, municipalities and cities. The company's net sales in 2022 were EUR 52.8 million. Administer has 33 offices in Finland, in addition to which the company has offices in Stockholm, Tallinn and Fuengirola, Spain.

YEAR 2022 IN BRIEF

- Net sales EUR 52.8 million (41.9), showing an increase of 25.9%. The increase was caused particularly by the corporate acquisitions made and the new customers won by Silta.
- EBITDA EUR 3.8 million (2.3), or 7.1% (5.4%) of the net sales. Operating profit adjusted with amortisation of goodwill (EBITA) was EUR 2.7 million (1.5), making up 5.1% (3.6%) of the net sales.
- Administer Group's payroll and HR services expert Silta took charge of Neste Oyj's payroll services from 1 April 2022 onwards.
- Administer acquired Econia Oy, an expert company specialised in financial and HR administration and international services, with net sales amounting to EUR 24.4 million in 2022. Econia has been consolidated into the Group from 1 November 2022 onwards.
- Administer carried out nine corporate acquisitions in 2022. The acquisitions strengthened Administer's accounting firm business in particular; the company acquired Konjunkturi, WaBuCo Financial Service Oy, Sydän-Suomen Taloushallinta Oy, Tilitoimisto Ollikainen, Konsulttiliike Laine, Tunturi-Lapin Yrityspalvelut, Econia Oy and Varkauden Tili. In addition, the company acquired the minority interest in Administer Oy Uusimaa.
- In the consulting business, legal services were launched to complement the financial leadership, HR and system services.
- In the accounting firm business, Administer launched an automatic invoicing system for additional services.



CONSOLIDATED KEY FIGURES

(TEUR, unless otherwise stated)	1 Jan - 31 Dec		
	2022	2021	2020
Net sales	52,778	41,913	43,678
EBITDA	3,765	2,251	4,449
EBITDA, %	7.1 %	5.4 %	10.2%
Operating profit adjusted by amortisation of goodwill	2,668	1,504	3,850
Operating profit adjusted by amortisation of goodwill, %	5.1%	3.6%	8.8%
Operating profit (loss)	126	53	2,890
Operating profit (loss), %	0.2%	0.1 %	6.6%
Profit before appropriations and tax	-279	-1,744	2,612
Profit (loss) for the period	-703	-1,792	1,955
Profit (loss) adjusted with amortisation of goodwill	1,839	-342	2,915
Profit (loss) adjusted with amortisation of goodwill, %	3.5%	-0.8%	6.7%
Earnings per share (EPS) ¹⁾	-0.05	-0.17	0.20
Return on equity, % (ROE)	-2.2%	-8.6%	23.1%
Equity ratio, %	48.7%	68.4%	38.3%
Debt-to-equity ratio, %	51.1%	13.4%	65.1%
Net sales growth, %	25.9%	-4.0%	-3.5%
Number of personnel	657	569	597
Net sales per employee	80	74	74
Personnel expenses per employee	-53	-50	47
Ratio of personnel expenses to net sales, %	66.1%	67.4%	63.9%

¹⁾ 2020 comparison figures adjusted with the share split carried out on 4 November 2021.



MARKET ENVIRONMENT

Administer operates in the market for services and software for financial and payroll management, as well as HR and other professional services supporting the business of companies. Although the market is very defensive by nature, economic changes impact the Finnish corporate landscape in general and thereby also the customers of the financial management industry. The market environment remained rather stable also in 2022, although competition continued to be fierce. Part of the net sales of companies in the industry is formed by transaction-based sales, and a decline in the transaction volume of customers therefore has a negative impact on the net sales development of the service provider.

IMPACT OF THE COVID-19 PANDEMIC

According to the assessment by the Board of Directors, the COVID-19 pandemic did not have a significant impact on the market environment, employees or business operations during 2022 or after the reporting period. The Board of Directors and the company's management will continue to monitor the situation and its possible impact on operations.

IMPACT OF THE WAR IN UKRAINE

The war in Ukraine and the subsequent sanctions against Russia did not have a direct impact on Administer's business operations. The Board of Directors and the company's management will continue to monitor the situation and will update its assessment as the war continues.

NET SALES AND PROFITABILITY

Net sales increased by 25.9% compared to the previous year and were EUR 52.8 million (41.9). The increase was caused particularly by the corporate acquisitions made and the new customers won by Silta.

Personnel expenses were EUR 34.9 (28.2) million, making up 66.1% (67.4%) of the net sales. The increase of personnel expenses in euros was caused mainly by the acquisitions as well as investments in productivity growth, sales and administration in line with the growth strategy.

EBITDA was EUR 3.8 million (2.3), or 7.1% (5.4%) of the net sales. EBITDA improved in the accounting, payroll and HR services as well as in the software business. Acquisitions increased the EBITDA in euros.

Operating profit adjusted with amortisation of goodwill (EBITA) was EUR 2.7 million (1.5), making up 5.1% (3.6%) of the net sales.

Operating profit was EUR 126 thousand (53), or 0.2% (0.1%) of the net sales. The operating profit was weighed down by amortisation of goodwill from the acquisitions, amounting to EUR -2,542 thousand (-1,450) in total.

Loss before appropriations and tax was EUR -279 thousand (-1,744) and loss for the financial period was EUR -703 million (-1,792). Earnings per share (EPS) were EUR -0.05 (-0.17)¹⁾.

CASH FLOW AND FINANCING

Cash flow

In 2022, cash flow from operations was EUR 2.4 million (2.0). The increase was mainly driven by the increase in EBITDA. Despite the increased sales receivables, the Group's credit losses decreased from the previous year. Cash flow from investments was EUR -22.8 million (-1.9), mainly affected by the acquisitions carried out. Cash flow from financing EUR 12.0 million (12.0).

Acquisitions were mainly financed with the funds raised in the Initial Public Offering in December 2021. One acquisition was carried out through a share exchange. For the acquisition of Econia, the company also drew a long-term loan of EUR 13 million from domestic financiers. The change in cash and cash equivalents during the financial year was EUR -8.4 million (12.1).

Financing

Interest-bearing debt increased and was EUR 16.4 million on 31 December 2022 (31 December 2021: EUR 4.3 million). Debt-to-equity ratio was 51.1% (31 December 2021: 13.4%).

The Group's liquidity has remained good. Administer's cash and cash equivalents on 31 December 2022 totalled EUR 4.4 million (12.8).

On 31 December 2022, the total amount of external financing agreed upon by Administer was EUR 18.4 million,

¹⁾The number of shares in the comparison period adjusted by the split of the share capital carried out on 4 November 2021.



of which drawn loans totalled EUR 16.4 million and undrawn loans totalled EUR 2.0 million. The drawn amount consists mainly of bank loans totalling EUR 15.9 million. Administer's drawn loans will mature according to a repayment schedule agreed upon with the financiers so that the last instalment of the financing is repaid in November 2028.

Equity was EUR 32.1 million on 31 December 2022 (31 December 2021: 32.3) and equity ratio was 48.7% (31 December 2021: 68.4%). No dividend was paid for the financial period 1 January–31 December 2021.

PERSONNEL

The Group employed on average 657 people (569) in 2022.

MANAGEMENT TEAM AND BOARD OF DIRECTORS

The members of the Management Team and the Board of Directors are introduced in section 'Board of Directors and Management Team' of the Annual Report. Their remuneration and shareholding is presented in section 'Governance and Remuneration' of the Annual Report and on the Group website at www.administergroup.com/en/investors/.

Changes in the Board of Directors

Minna Vanhala-Harmanen was elected as new member of the Board of Directors by Administer Plc's Annual General Meeting on 18 May 2023. Kai Myllyneva and

Rolf Backlund were not available for re-election to the Board of Directors.

Changes in the Management team

Mikko Vahtera started in the position of Business Area Director, Consulting Services on 12 April 2022. Before his appointment, Vahtera worked in a similar role at Talenom. Vahtera's other previous roles include Manager at Danske Bank.

Kati Lehesmaa, Director of Marketing and Communications, left the company on 31 May 31 2022, Outi Tenhola, Chief Human Resources Officer, left the company on 31 July 2022, and Johan Idman, CFO, will leave the company on 17 April 2023.

On 1 August 2022, the Group appointed Paula Niemi, who has extensive experience of HR administration in Administer Group, as Acting Chief Human Resources Officer and member of the Management Team.

Seija Uusitalo was appointed Communications Director starting from 1 February 2023. Uusitalo joined the Group in 2022 as Communications Manager and has extensive experience in both external and internal communications as well as investor relations.

Susanna Suomela has been appointed as the Group's Marketing Director starting from 1 February 2023. Before the appointment, Suomela served as Director of

Development in Emce Solution Partner Oy, subsidiary of Administer. She has robust experience in marketing in b2b companies as well as advertising agencies.

Chief Strategy Officer Kati Paulin will serve as interim CFO from 18 April 2023 onwards. The search for a new CFO has been started.

PRODUCT DEVELOPMENT

The proprietary technology Administer uses for producing services and developing software requires considerable investments in research and development. There are approximately 60 people working in product development. In the company's view, automation and artificial intelligence will steer financial management services in the future, which is why Administer is investing significantly in technology development. In 2022, product development expenses amounting to EUR 1.9 million (1.2) were capitalised in the balance sheet.

Product and service upgrades launched in 2022 included, among others, several updates to the digital eFina financial management service, new HR services and the launch of a partnership with Intrum Oy to provide more efficient debt collection services. In software services, the 365 product designed for purchase invoices is being finalised when it comes to features required by customers, and we continued to utilise artificial intelligence in software solutions.



SIGNIFICANT EVENTS IN THE REVIEW PERIOD

Administer acquired Econia Oy, an expert company specialised in financial and HR administration and international services, with net sales amounting to EUR 24.4 million in 2022. Econia has been consolidated into the Group from 1 November 2022 onwards.

Administer carried out nine corporate acquisitions in 2022. The acquisitions strengthened Administer's accounting firm business in particular:

- On 16 February 2022, the payroll services of Konjunkturi Oy, based in Varkaus, became part of the service offering of Administer Group company Tilikamut Oy through an asset acquisition, strengthening operations in the Savo region as the Group got a new office in Varkaus.
- On 29 March 2022, the acquisition of WaBuCo Financial Services Oy was completed. The transaction strengthened Administer's know-how in international financial and payroll management services. The acquisition was carried out through a directed share issue to the owners of WaBuCo.
- On 4 April 2022, Administer acquired Sydän-Suomen Taloushallinta Oy, which operates in Pihtipudas, through an asset acquisition. The transaction strengthened the Group's operations and service offering in the Central Finland area through new offices in Pihtipudas and Kinnula.
- On 14 June 2022, Administer continued to expand by acquiring the accounting firm business of Tilitoimisto Ollikainen Oy through an asset acquisition. With the acquisition, the Group got a new office in Mikkeli, strengthening operations in the South Savo area.
- On 17 August 2022, Administer and Konsulttiliike Laine Oy, operating in Raisio, agreed on an asset acquisition in which the accounting firm business and personnel of Konsulttiliike Laine were transferred to Administer. The asset acquisition further strengthens Administer's operations in the Turku region, where Administer Group already has an office.
- On 26 October 2022, Administer and Tunturi-Lapin Yrityspalvelu Ky, which operates in Lapland, agreed on an asset acquisition in which the business of Tunturi-Lapin Yrityspalvelu became part of Administer's accounting firm chain. The asset acquisition strengthens Administer's operations in Northern Finland; the Group already has offices in Muonio, Oulu and Rovaniemi.
- On 11 November 2022, Administer continued to implement its growth strategy by acquiring Econia Ltd, which is an expert company specialised in financial and HR administration and international services. The service offering also includes expert services in preventing grey economy as well as labour law-related services. The acquisition is the largest in Administer's history. Econia's net sales in 2022 were approximately EUR 24.4 million. Econia has been consolidated into the Group from 1 November 2022 onwards.
- On 30 November 2022, Administer and Varkauden Tili Oy, operating in Varkaus, agreed on an asset acquisition in which the business and personnel of Varkauden Tili were transferred to Administer. The asset acquisition strengthens Administer's operations in the Savo region; the Group already has an office in Varkaus.
- On 23 December 2022, Administer and Mäntsälän Osuuspankki agreed on an acquisition in which Administer Plc acquired a 19% minority shareholding of Administer Oy Uusimaa. After the transaction, Administer Plc owns all shares in Administer Oy Uusimaa.

Administer Group's payroll and HR services expert Silta took charge of Neste Oyj's payroll services from 1 April 2022 onwards. In accordance with the long-term contract between the companies, Silta offers Neste comprehensive outsourced payroll services. In connection with the partnership, six payroll experts transferred from Neste to Silta Oy as old employees in the framework of a business transfer.



AUDITOR

Administer's Annual General Meeting elected on 18 May 2022 Ernst & Young Oy as the company's auditor. Johanna Winqvist-Ilkka has served as the auditor with principal responsibility.

SHARES AND SHARE CAPITAL

The acquisition carried out with WaBuCo Oy in March 2022 was paid with new shares in Administer. For this reason, Administer carried out a directed share issue to WaBuCo's owners based on the authorisation given by the General Meeting on 4 November 2021. The 121,129 new shares subscribed in the directed share issue were registered in the trade register on 30 March 2022. The 14,175 shares subscribed for the company itself in the share issue were registered in the trade register on 30 March 2022. Due to the share issues, the number of shares in Administer increased from 14,194,110 to 14,329,414 shares. At the end of 2022, Administer's share capital was EUR 80,000 and the total number of outstanding shares in the company was 14,329,414, as mentioned above. Each share entitles to one vote in the general meeting. All shares carry an equal right to a dividend and the company's funds.

The company had 2,047 (2,808) shareholders at the end of the review period, according to Euroclear Finland Oy.

Share trading volume between 1 January and 31 December 2022 was EUR 5.9 million in total. The highest trading price was EUR 4.28 and the lowest was EUR 2.05. The closing price at the end of the review period was EUR 2.66 and the market value based on the closing price was approximately EUR 38.1 million.

Authorising the Board of Directors to decide on the issuance of shares and the issuance of special rights entitling to shares

The Board of Directors was authorised to decide on the issuance of shares and other special rights entitling to shares as referred to in Chapter 10, Section 1 of the Finnish Limited Liability Companies Act. The authorisation covers a maximum of 1,432,941 shares, which corresponds to approximately ten (10) per cent of all shares in the company.

The Board of Directors decides on all terms of the issuance of shares and of special rights entitling to shares. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorisation is effective until the end of the next Annual General Meeting; however, no longer than until 30 June 2023.

PROPOSAL FOR THE DISTRIBUTION OF PROFITS

The distributable retained funds of Administer's parent company were EUR 34.9 million on 31 December 2022. The Board of Directors proposes to the General Meeting to be held on 16 May 2023 that a dividend of EUR 0.05 per share be paid for the financial year 1 January–31 December 2022. The company seeks to distribute as dividends a minimum of 30 per cent of its result adjusted with amortisation of goodwill. For the parent company, this amounted to EUR 1.2 million in 2022.



REPORT ON NON-FINANCIAL INFORMATION

Operating model

Administer is a Finnish Group established in 1985, which offers financial and payroll management services, consultancy services and software services. Administer's goal is to transform the financial management services market, which has historically been perceived as rigid and lacking innovation, by developing new technologies and new solutions. The company's management estimates that measured in net sales, Administer is one of the largest financial management service providers in Finland, and measured in number of payslips, the largest HR and payroll service provider in Finland.

The Group includes a total of 25 companies, the most significant of which are the parent company Administer Plc as well as its directly or indirectly owned Silta Oy, which provides HR and payroll administration services, Adner Oy, which provides financial management outsourcing and consultancy services, and Emce Solution Partner Oy, which provides software services, as well as Econia Ltd, which is an expert company specialised in financial management and joined the Group last November. In addition, Administer holds a stake in Kuntalaskenta Oy, which provides financial management services to the public sector, and in Yrittäjän Polku Oy and Serveria Oy, which however are not part of the Group.

Administer's main business areas are financial management services and HR and payroll management services. The financial management services provided by Administer include accounting and reporting services as well as digital financial management.

Administer applies the software and software solutions it has developed as part of the larger service packages it offers. In addition, Administer sells its EmCe software to its customers for independent use outside service packages. The consulting services provided by Administer create added value for customers and provide Administer with sales with a higher margin.

Administer's own sales of services and solutions are the most important enabler of Administer's growth. Professional and active sales activities create the foundation for increasing net sales, which is supported with business acquisitions.

Operating principles and policies

Administer Group's Code of Conduct applies to all employees in the Group. The Code of Conduct defines the general guidelines that Administer Group's personnel, including the management, and other stakeholders, such as suppliers, are expected to follow. The Code of Conduct is available to the entire personnel and new employees familiarise themselves with it during their orientation.

The Code of Conduct addresses compliance with laws and regulations, the environmental point of view, human rights, prevention of bribery, confidentiality obligations and responsibility for the personnel. To complement this general guideline, the Group companies have more detailed rules and instructions, including an occupational health and safety action plan, instructions on preventing money laundering, instructions relating to information security and data protection, work safety rules and guidelines for early intervention.

The Group has a whistleblowing channel through which employees and third parties can report observed or suspected cases of misconduct or non-compliance with the Code of Conduct. The whistleblowing channel was taken into use in December 2021. During 2022, six reports were made through the whistleblowing channel and they were handled in the appropriate manner.

In 2022, Administer Group drafted its first sustainability strategy, whose key focus areas are ethical and responsible business, climate friendliness and environmental consciousness, as well as people and the work environment. We will develop the Group's sustainability efforts based on this strategy.



Environmental sustainability

Although the direct environmental impacts of Administer Group are relatively small, we pay attention to environmental matters in our business operations. We are a pioneer in digital services and favour them in our service production. This way, we reduce the use of paper in our own operations as well as that of our customers.

Among other things, we strive to reduce travel and increase videoconferencing, reduce printing and develop and use different electronic tools in customer interaction. Remote working has become more prevalent due to the COVID-19 pandemic, and it has contributed to the reduction in travel and thereby reduced emissions related to transportation.

In our own offices, we recycle, strive to reduce energy use and favour sustainable solutions and recycled materials. We are committed to using environmentally friendly products and solutions in our procurement.

Administer has not identified any environmental risks in its operations.

Social sustainability

Responsibility for our own personnel is a key factor in the Group's social sustainability. The starting point for all operations is a good work community and respect for each individual. We abide by labour legislation and the collective agreement of our industry. We cherish equality and do not allow bullying, harassment or discrimination.

We take care of the well-being of our employees and provide our entire personnel with comprehensive occupational health care as well as versatile exercise and well-being services. We work continuously to develop the job content, work community and work environment in a way that allows our employees to thrive and enjoy their work. We are mindful of the different life situations of our employees.

We carry out regular pulse surveys for the personnel throughout the Group. The results are discussed e.g. in unit meetings, and the themes that arise from the responses are discussed in the management teams of Group companies. We continuously develop our operations based on the responses. Employee satisfaction is one factor of managers' targets and KPIs.

Administer's employees have versatile possibilities to develop their capabilities and professional skills. Our extensive training portfolio includes different ways

of studying for different needs. We encourage our employees to take, among others, a KLT degree for accountants or the corresponding PHT degree for payroll experts, and we take care of both training and expenses for taking the exam.

At the end of the financial period, the Group employed a total of 1,118 people, of which 68% were women and 32% were men, in 33 locations around Finland and in Stockholm, Tallinn and Fuengirola, Spain.

As a risk relating to social sustainability, Administer has identified the possibility that it fails to recruit and retain competent personnel and key personnel, which may have an adverse effect on Administer's business. Administer's industries generally suffer from high personnel turnover and a shortage of personnel, which, if prolonged, could result in customer dissatisfaction.

Respect for human rights

We respect national and internationally recognised human rights as they are described in the UN's Universal Declaration of Human Rights. We see the following human rights, among others, as basic and universal: freedom of thought, freedom of opinion and expression, freedom of religion and freedom of peaceful assembly as well as freedom from discrimination based on race, age, nationality, gender or sexual orientation.



Administer has not identified any human rights risks in its own business operations. Indirect human rights risks may exist relating to the supply chain, for instance the working conditions of service providers. Administer expects that its subcontractors also comply with the company's Code of Conduct when it comes to human rights as well as concerning other aspects.

Prevention of corruption and money laundering

Administer Plc works with the financial management and accounting of its customers, which makes the recognition and prevention of money laundering and corruption particularly important in the Group's operations. The Group has comprehensive instructions on recognising money laundering and complying with the legislation on money laundering, as well as a reporting process that is used in cases of suspected money laundering if the company's requests for information are not answered in a satisfactory manner. The Group has an expert responsible for prevention of money laundering, who handles contacts with the authorities and reports to the Financial Intelligence Unit. The Group companies offering accounting and tax consulting services are registered in the anti-money laundering register maintained by the Regional State Administrative Agencies. There were no suspected cases of money laundering in 2022.

Taxonomy

As a non-financial undertaking, Administer is required to present the share of its group revenue, capital expenditure (Capex) and operating expenditure (Opex) for the reporting period 2022 that is associated with EU Taxonomy-eligible and Taxonomy-aligned economic activities under the first two environmental objectives (climate change mitigation and climate change adaptation) in accordance with Art. 8 of the Taxonomy Regulation and Art. 10 (2) of the Art. 8 Delegated Act.

To determine taxonomy-eligibility and -alignment of Administer's economic activities, the company has assessed its operations against EU Taxonomy Regulation's technical screening criteria on climate change mitigation and climate change adaptation. Currently, the Taxonomy does not specifically mention activities that are typical of the financial and payroll management sector, meaning that the companies operating in the sector report on the activities within Taxonomy scope if they engage in them. Computer programming, consultancy and related activities are classified as Taxonomy-eligible economic activities. However, based on our assessment against EU Taxonomy Regulation's substantial contribution criteria, and the company's best interpretation of the EU Taxonomy Regulation and the delegated acts, as well as currently available guidelines, Administer does not have

taxonomy-eligible economic activities to report. Hence the proportion of taxonomy-eligible economic activities in the company turnover, capital expenditures and operational expenditures is 0%. Accordingly, the proportion of non-eligible economic activities in company turnover, capital expenditures and operational expenditures is 100%. Administer notes that the EU Taxonomy Regulation will keep evolving and will continue to consider its impact as well as future reporting obligations.

The biggest climate impacts in the sector come from emissions from the value chain of services. Therefore, the company's most significant potential for influencing the environment and climate change mitigation is through the development of our customers' business and the solutions we deliver for our customers.



RISK MANAGEMENT

The objective of risk management is to continuously obtain information about, assess, and manage the possibilities, threats, and risks that relate to Administer's operations so that the company can realise its objectives and ensure the continuity of its operations without disruption.

The objectives, principles, organisation, responsibilities, and practices of Administer's risk management are described in the principles of risk management. Risk management is part of the internal control and a significant component in monitoring and ensuring the continuity of operations. The Board of Directors and the senior management of the company monitor the performance of the risk management process.

Sharing of risk management responsibilities

In accordance with the Finnish Companies Act, the Board of Directors is to see to the governance of the company and ensure the appropriate organisation of its operations. In addition, the Board shall monitor and assess the efficiency of the internal control and the risk management system. The Board approves the principles concerning internal control and risk management as well as any changes to these principles. The Board also manages any significant risks and uncertainties that relate to the company's operations.

The CEO, in cooperation with the management team, is responsible for establishing the principles concerning risk management and ensuring that risk management is implemented methodically and appropriately. The CEO ensures that the company's risk management process is comprehensive and assesses the implementation of the risk management process. The CEO reports risk management-related findings to the Board of Directors. The members of the management team are responsible for planning, implementing, and monitoring the risk management practices in their own areas of responsibility.

The principles of risk management

The company regularly tracks changes in risks and their effects on the business operations. The company continuously and methodically applies risk management practices according to the risk management process to ensure the continuity of operations. The manager in charge of the development of business continuity supervises the annual processing of known risks and potential new risks as per the areas of responsibility of the management team members. These risks are assessed based on their probability and effects on the business operations and the data protection of the staff, and the company records the measures that can be taken to reduce these risks.

Administer's subsidiaries have their own practices to reduce risks so that they can ensure the continuity of their operations and the quality and validity of their services. According to the requirements of the company's various business activities, the continuity and recovery capabilities of the subsidiaries' operations are tested and audited in different risk scenarios each year.

The business risks are also examined when drafting customer and partner agreements. The objective is to acknowledge the potential risks and uncertainties concerning the agreement and to agree on the ways in which the risks are shared if they materialise.

Risks and uncertainties

The company has identified the most significant risks and divided them into ten categories. The risks are described and itemised in more detail in the subsidiary-specific risk mappings and matrices, in which each risk has been assessed based on its probability, severity of consequence and impact on personal data. The description of each risk includes the measures that will be taken to reduce its impact. The company has also created various risk scenarios and action plans based on the identified risks.



Administer has identified the most significant risks as follows:

- Risks concerning macroeconomics
- Risks related to the market environment
- Risks related to the organising of business operations
- IT system-related risks
- Personnel-related risks
- Data protection-related risks
- Risks concerning the quality of service
- Legal risks
- Financial risks
- Risks concerning misconduct

NEAR-TERM UNCERTAINTIES

Interruptions or disturbances in Administer's IT, network or communication systems may lead to unforeseen costs and malfunctions and be detrimental to the business operations of the company or its customers. Data security breaches targeted at IT systems and data links or other data security breaches may be detrimental to Administer or its customers and negatively impact Administer's business.

Administer's field of business is competitive and the competition is fragmented, which may have a negative impact on the company's operations, if Administer is unable to respond to competitor pricing or service quality or fails to develop new products or services.

Corporate acquisitions are an important part of the company's growth strategy. Administer may fail in integrating corporate acquisitions or finding new acquisition targets or an acquisition may fail.

Administer's brand and reputation are important competitive advantages, and reputation damage might have negative impacts on Administer's business and market position.

There are uncertainties relating to the development of the Finnish economy this year due to the geopolitical situation. Administer has no business operations in Russia or Ukraine, but the reduced financial activity may also have negative impacts on Administer's net sales and result through customer companies.

The acceleration of inflation in Finland may also be reflected in wages and, together with personnel turnover, increase Administer's expenses and weaken profitability if the company is not able to transfer the increased expenses into the prices of the services it produces. The acceleration of inflation may also increase interest rates and thus have an impact on the cost of financing for Administer.

OUTLOOK

Administer seeks to continue growth investments as well as organic and inorganic growth in 2023. Administer estimates that its net sales will be EUR 76–81 million (52.8 in 2022) and its EBITDA margin will be 7–9% (7.1% in 2022) in 2023.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 3 January 2023, Administer continued its national expansion and announced the acquisition of the business operations of Ruukintili Oy, operating in the Kouvola region. The acquisition marks Administer's first foray into South-Eastern Finland, where the company will now have an office.

On 16 January 2023, Administer announced it had started a corporate reorganisation, in which some subsidiaries owned solely by Administer Plc are planned to be merged with the parent company. The companies to be merged include the Group's regional offices and previously acquired accounting companies that have, so far, operated using their own trade name within the Administer chain. On 28 February 2023, Muonion Tilitoimisto Oy has been merged into Tilitoimisto Polojärvi Oy as part of the transaction. In addition, a new company named Silta Employer Services Oy, which is a subsidiary of Silta Oy, has been established. This company will take over the PEO business. The merger is planned to be completed on 1 May 2023.

The goal of the reorganisation is to clarify and simplify the Group's structure. The reorganisation will not have any direct effects on employees, and the terms of all employment relationships will remain essentially the same. The reorganisation will not affect the number of offices either; all offices will continue their operations as before.

On 31 January 2023, Administer's Shareholders' Nomination Board proposed to the Annual General Meeting 2023 that the company's Board of Directors is to comprise six (6) ordinary members. The Nomination Board further proposes that of the current Board members, Jukka-Pekka Joensuu, Risto Koivula,

Minna Vanhala-Harmanen and Peter Aho be re-elected, and that Leena Siirala and Milja Saksi be elected as new members of the Board of Directors.

On 31 January 2023, Silta Oy, part of Administer Group, gained a significant new customer account in the energy sector. Through a multi-year agreement of over EUR 2 million, Silta offers its customer comprehensive outsourced payroll and working time management services.

Administer Plc Board of Directors

CALCULATION OF KEY FIGURES

DEFINITIONS AND CALCULATION OF CERTAIN ALTERNATIVE KEY FIGURES AND OTHER KEY FIGURES

Key figure	Definition	Purpose
EBITDA	Operating profit (loss) + depreciation, amortization and impairment	Describes profitability of the operations without the effect of depreciation, amortization and impairment.
EBITDA, %	$\frac{\text{EBITDA}}{\text{Net sales}} \times 100$	Describes the ratio of EBITDA to net sales.
Operating profit adjusted with amortization of goodwill	Operating profit (loss) + amortization of goodwill	Describes the performance of the business excluding the impact of amortization of goodwill.
Operating profit adjusted with amortization of goodwill, %	$\frac{\text{Operating profit adjusted with amortization of goodwill}}{\text{Net sales}} \times 100$	Describes the share of operating profit in net sales excluding the impact of amortization of goodwill.
Operating profit (loss)	Net sales + other operating income – materials and services – personnel expenses – other operating expenses – depreciation, amortization and impairment	Operating profit (loss) describes the profitability of the operations.
Profit (loss) adjusted with amortization of goodwill	Profit (loss) for the financial period + amortization of goodwill	Describes the profit of the operations without the effect of amortization of goodwill.
Profit (loss) adjusted with amortization of goodwill, %	$\frac{\text{Profit (loss) adjusted with amortization of goodwill}}{\text{Net sales}} \times 100$	Describes the share of operating profit in net sales excluding the impact of amortization of goodwill.
Earnings per share (EPS)	$\frac{\text{Profit (loss) for the financial period without minority interest}}{\text{Average number of outstanding shares during the financial period adjusted with share issue}} \times 100$	Describes the share of profit (loss) for the financial period in proportion to weighted average number of shares outstanding.
Return on equity, % (ROE)	$\frac{\text{Profit (loss) for the financial period (rolling 12 months)}}{\text{Average equity (rolling 12 months)}} \times 100$	Measures the result for the period in relation to equity.
Equity ratio, %	$\frac{\text{Equity at the end of period}}{\text{Total assets at the end of period – advances received}} \times 100$	Describes the ratio of Administer's assets to equity
Debt-to-equity ratio, %	$\frac{\text{Interest-bearing liabilities}}{(\text{Equity} + \text{goodwill} + \text{minority interest} + \text{accrued appropriations})} \times 100$	Reflects the total amount of Administer's external debt financing.

Financial statements

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT	1 Jan-31 Dec 2022	1 Jan-31 Dec 2021
NET SALES	52,778,369.13	41,913,470.73
Other operating income	120,921.43	151,805.64
Materials and services		
Purchases	-6,087,976.37	-5,042,422.42
External services	-1,057,217.53	-566,731.98
Total	-7,145,193.90	-5,609,154.40
Personnel expenses		
Salaries and wages	-28,885,890.79	-23,464,664.79
Social security costs		
Pension costs	-4,930,371.42	-3,953,624.04
Other expenses related to personnel	-1,064,650.79	-821,081.83
Total	-34,880,913.00	-28,239,370.66
Depreciation, amortization and impairment		
Total	-3,638,310.23	-2,197,921.48
Other operating expenses	-7,134,784.60	-6,028,022.64
Share of results of affiliates	26,128.00	62,334.86
OPERATING PROFIT (LOSS)	126,216.82	53,142.06

CONSOLIDATED INCOME STATEMENT	1 Jan-31 Dec 2022	1 Jan-31 Dec 2021
Financial income and expenses		
Other interest and financial income	78,434.77	23,322.65
Impairment of non-current financial assets	-85,324.50	0.00
Interest and other financial expenses	-398,618.42	-1,820,079.09
Total	-405,508.15	-1,796,756.44
PROFIT BEFORE APPROPRIATIONS AND TAX	-279,291.33	-1,743,614.39
Income tax	-405,374.02	-28,290.32
Minority interest	-18,148.85	-20,552.23
PROFIT (LOSS) FOR THE PERIOD	-702,814.19	-1,792,456.94

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET	31 Dec 2022	31 Dec 2021
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Development expenditures	3,122,489.78	1,766,716.51
Intangible rights	354,769.92	478,207.09
Consolidated goodwill	38,475,146.38	22,755,374.32
Goodwill	3,638,712.39	594,325.59
Other capitalised long-term expenditures	1,210,445.26	1,112,143.09
Total	46,801,563.73	26,704,696.50
Tangible assets		
Land and water areas	36,357.84	36,357.84
Buildings and structures	236,783.76	168,627.82
Machinery and equipment	605,372.02	217,266.93
Other tangible assets	11,128.70	11,128.70
Total	889,642.32	433,381.29
Investments		
Shares in affiliated companies	309,900.03	282,125.03
Other shares	308,273.79	4,786.00
Total	618,173.82	286,911.03
NON-CURRENT ASSETS, TOTAL	48,309,379.87	27,424,988.82

CONSOLIDATED BALANCE SHEET	31 Dec 2022	31 Dec 2021
CURRENT ASSETS		
Receivables		
Non-current		
Trade receivables	2,094.58	3,094.60
Other receivables	104,944.72	94,336.01
Total	107,039.30	97,430.61
Current		
Trade receivables	10,992,286.86	5,194,901.07
Loan receivables	28,299.45	32,429.97
Other receivables	370,893.92	113,678.81
Prepayments and accrued income	1,645,588.12	1,222,742.74
Total	13,037,068.35	6,563,752.59
Financing securities	108,000.00	308,000.00
Cash and cash equivalents	4,411,995.53	12,893,651.62
CURRENT ASSETS, TOTAL	17,664,103.18	19,808,834.81
TOTAL ASSETS	65,973,483.05	47,233,823.64

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES		
EQUITY		
Share capital	80,000.00	80,000.00
Other reserves	30,608,753.61	30,142,335.79
Retained earnings (loss)	2,135,383.71	3,892,902.81
Profit (loss) for the period	-702,814.19	-1,792,456.94
TOTAL EQUITY	32,121,323.13	32,322,781.66
MINORITY INTEREST	20,742.44	25,203.07
LIABILITIES		
Non-current		
Capital loan	500,000.00	500,000.00
Loans from financial institutions	12,193,894.99	2,061,381.04
Other liabilities	2,021,500.00	21,000.00
Total	14,715,394.99	2,582,381.04
Current		
Loans from financial institutions	3,730,416.46	1,779,678.30
Trade payables	3,897,352.00	4,158,422.63
Other liabilities	3,381,052.53	1,633,131.68
Accrued expenses and deferred income	8,107,201.51	4,732,225.26
Total	19,116,022.50	12,303,457.87
TOTAL LIABILITIES	33,831,417.49	14,885,838.91
TOTAL EQUITY AND LIABILITIES	65,973,483.05	47,233,823.64

CONSOLIDATED STATEMENT OF CASH FLOW

CONSOLIDATED STATEMENT OF CASH FLOW	1 Jan-31 Dec 2022	1 Jan-31 Dec 2021
Cash flow from operating activities		
Revenue-based financing		
Profit (loss) for the period	126,216.82	53,142.06
Share of results of affiliates	-26,128.00	-62,334.86
Depreciation, amortization and impairment	3,638,310.23	2,197,921.48
Financial income	78,434.77	23,322.65
Financial expenses	-395,786.88	-1,820,079.09
Income tax	-405,374.02	-28,290.32
Change in net working capital		
Decrease (+) / increase (-) in trade and other receivables	-1,321,926.46	-178,195.75
Decrease (-) / increase (+) in trade and other payables	653,653.89	1,785,216.44
Increase (+) / decrease (-) of long-term trade or other receivables	4,032.71	-8,036.89
Cash generated from operations	2,351,433.07	1,962,665.71

CONSOLIDATED STATEMENT OF CASH FLOW	1 Jan-31 Dec 2022	1 Jan-31 Dec 2021
Cash flow from investment activities		
Purchases of subsidiaries	-19,932,817.38	-261,506.35
Purchases of other tangible or intangible assets	-2,893,773.89	-1,624,230.76
Purchases of tangible or intangible assets	-22,826,591.27	-1,885,737.11
Cash flow before financing activities	-20,475,158.20	76,928.60
Cash flow from financing activities		
Increase (+) / decrease (-) in long-term liabilities	10,132,013.95	-1,643,240.83
Increase (+) / decrease (-) in current loans from financial institutions	1,926,738.16	-289,563.74
Net cash from share issues	0.00	13,954,397.64
Dividend paid	-11,250.00	-19,500.00
Change in cash and cash equivalents	-8,427,656.09	12,079,021.67
Cash and cash equivalents at the beginning of period	12,839,651.62	760,629.95
Cash and cash equivalents at the end of period	4,411,995.53	12,839,651.62
Change	-8,427,656.09	12,079,021.67

PARENT COMPANY INCOME STATEMENT

PARENT COMPANY INCOME STATEMENT	1 Jan-31 Dec 2022	1 Jan-31 Dec 2021
NET SALES	10,155,877.84	10,250,126.40
Other operating income	13,676.70	2,407.68
Materials and services		
Purchases	-406,865.23	-326,269.54
External services	-3,469,783.84	-2,583,783.14
Total	-3,876,649.07	-2,910,052.68
Personnel expenses		
Salaries and wages	-3,932,218.19	-4,557,593.84
Social security costs		
Pension costs	-627,140.78	-710,562.86
Other expenses related to personnel	-86,035.04	-136,138.91
Total	-4,645,394.01	-5,404,295.61
Depreciation, amortization and impairment		
Depreciations according to plan	-396,002.48	-291,803.74
Total	-396,002.48	-291,803.74
Other operating expenses	-1,763,887.11	-1,916,809.53
OPERATING PROFIT (LOSS)	-512,378.13	-270,427.48

PARENT COMPANY INCOME STATEMENT	1 Jan-31 Dec 2022	1 Jan-31 Dec 2021
Financial income and expenses		
Dividend income	69,983.49	119,495.19
Other interest and financial income	168,166.47	170,904.79
Interest and other financial expenses	-365,103.95	-1,726,860.84
Total	-126,953.99	-1,436,460.86
PROFIT BEFORE APPROPRIATIONS AND TAX	-639,332.12	-1,706,888.34
Group contributions	2,066,000.00	1,147,000.00
Income tax	-273,350.45	2.18
PROFIT (LOSS) FOR THE PERIOD	1,153,317.43	-559,886.16

PARENT COMPANY BALANCE SHEET

PARENT COMPANY BALANCE SHEET	31 Dec 2022	31 Dec 2021
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Development expenditures	1,123,701.50	929,283.67
Intangible rights	59,489.40	119,422.65
Goodwill	1,902,218.74	271,962.89
Other capitalised long-term expenditures	138,902.49	194,106.88
Total	3,224,312.13	1,514,776.09
Tangible assets		
Buildings and structures	157,028.71	100,989.28
Total	157,028.71	100,989.28
Investments		
Shares in affiliated companies	45,016,690.07	21,933,623.81
Participating interests	101,600.00	101,600.00
Receivables from the Group companies	200,000.00	200,000.00
Other shares	2,500.00	2,500.00
Total	45,320,790.07	22,237,723.81
NON-CURRENT ASSETS, TOTAL	48,702,130.91	23,853,489.18

PARENT COMPANY BALANCE SHEET	31 Dec 2022	31 Dec 2021
CURRENT ASSETS		
Receivables		
Non-current		
Receivables from the Group companies	3,885,466.65	5,547,932.18
Other receivables	24,705.54	25,880.72
Total	3,910,172.19	5,573,812.90
Current		
Trade receivables	748,409.77	514,464.48
Receivables from the Group companies	4,107,007.36	1,296,114.72
Loan receivables	3,374.58	2,132.32
Other receivables	24,663.72	30,128.22
Prepayments and accrued income	135,733.41	336,834.55
Total	5,019,188.84	2,179,674.29
Cash and cash equivalents	457,870.28	11,520,014.28
CURRENT ASSETS, TOTAL	9,387,231.31	19,273,501.47
TOTAL ASSETS	58,089,362.22	43,126,990.65

PARENT COMPANY BALANCE SHEET

PARENT COMPANY BALANCE SHEET	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES		
EQUITY		
Share capital	80,000.00	80,000.00
Other reserves	30,608,753.61	30,142,335.79
Retained earnings (loss)	4,307,127.58	4,867,013.74
Profit (loss) for the period	1,153,317.43	-559,886.16
TOTAL EQUITY	36,149,198.62	34,529,463.37
LIABILITIES		
Non-current		
Loans from financial institutions	12,053,636.80	1,736,036.00
Liabilities to the Group companies	889,659.05	1,688,257.50
Other liabilities	2,000,000.00	0.00
Total	14,943,295.85	3,424,293.50
Current		
Loans from financial institutions	3,315,785.84	1,390,171.84
Trade payables	643,759.10	1,930,776.52
Liabilities to the Group companies	1,471,835.27	900,616.11
Other liabilities	562,683.63	170,009.77
Accrued expenses and deferred income	1,002,803.91	781,659.54
Total	6,996,867.75	5,173,233.78
TOTAL LIABILITIES	21,940,163.60	8,597,527.28
TOTAL EQUITY AND LIABILITIES	58,089,362.22	43,126,990.65

PARENT COMPANY STATEMENT OF CASH FLOW

PARENT COMPANY STATEMENT OF CASH FLOW	1 Jan-31 Dec 2022	1 Jan-31 Dec 2021
Cash flow from operating activities		
Revenue-based financing		
Profit (loss) for the period	-512,378.13	-270,427.48
Depreciation, amortization and impairment	396,002.48	291,803.74
Financial income	238,149.96	290,399.98
Financial expenses	-365,103.95	-1,726,860.84
Income tax	-273,350.45	2.18
Change in net working capital		
Decrease (+) / increase (-) in current trade and other receivables	-185,514.55	-767,131.04
Decrease (-) / increase (+) in trade and other payables	458,267.94	307,780.92
Increase (+) / decrease (-) of non-current trade or other receivables	1,175.18	-2,878.73
Cash generated from operations	-1,159,287.40	-1,877,311.27

PARENT COMPANY STATEMENT OF CASH FLOW	1 Jan-31 Dec 2022	1 Jan-31 Dec 2021
Cash flow from investment activities		
Purchases of subsidiaries	-19,932,817.38	-261,506.35
Purchases of other tangible or intangible assets	-2,489,121.10	-334,760.33
Purchases of tangible or intangible assets	-22,421,938.48	-596,266.68
Cash flow before financing activities	-23,581,225.88	-2,473,577.95
Cash flow from financing activities		
Increase (+) / decrease (-) in long-term liabilities	11,181,467.88	-86,584.27
Increase (+) / decrease (-) in current loans	1,925,614.00	-38,478.77
Increase (+) / decrease (-) in other current liabilities	-588,000.00	0.00
Net cash from share issues	0.00	13,954,397.64
Change in cash and cash equivalents	-11,062,144.00	11,355,756.65
Cash and cash equivalents at the beginning of period	11,520,014.28	164,257.63
Cash and cash equivalents at the end of period	457,870.28	11,520,014.28
Change	-11,062,144.00	11,355,756.65

NOTES TO THE FINANCIAL STATEMENTS

Basis of preparation and accounting policies

Financial statements for the Group and the Company and other financial information has been prepared in accordance with Finnish Accounting Standards ("FAS"). Comparative figures presented are based on and should be read in conjunction with the audited consolidated financial statements for the Group for the financial period of 1 January 2021 to 31 December 2021. The acquired companies WaBuCo Financials Services Oy and Sydän-Suomen Taloushallinta Oy have been consolidated to the consolidated financial statements for the Group from 1 April 2022 onwards and Econia Oy from 1 November 2022.

Implications of COVID-19 pandemic to operations

The Board of Directors of Administer Oyj has assessed what implications pandemic has had on company market environment, employees and business operations in 2022. So far there has been no significant implications during the reporting period or thereafter. The Board of Directors and the company management will carefully follow the development of the pandemic and will update their assessment as needed.

Implications of Russian attack to Ukraine into company business operations

Russian attack to Ukraine and related sanctions to Russia have not been assessed to have direct consequences on company business operations. The Board of Directors and the company management will carefully follow the development of the implications and will update their assessment as needed.

Valuation principles and methods

The company's non-current assets have been valued at the acquisition costs deducted with depreciations according to plan. Receivables have been valued at the nominal value, however not higher than the fair value. Debts are valued at their nominal value.

Project deferrals

Commissioning and system change projects of large customers are deferred for three years from the beginning of the project, provided that the fixed-term period of the customer contract lasts at least the same duration. Earlier the costs were booked based on the completion of the project. Due to the change, 264,802 euros of costs were activated from the financial year 2022.

Accruals and deferrals

Non-current assets are depreciated as deductible costs in taxation.

Foreign currency items

Receivables and liabilities in foreign currencies have been valued in reporting currency by using the exchange rate from the last date of the reported financial period.

BASIS OF PREPARING CONSOLIDATED FINANCIAL STATEMENTS

GROUP COMPANIES

Parent company:		Administer Plc		
Subsidiary:		Number of shares	Group holding	
Administer Oy Tampere	0424269-9	333,333	333,333	100%
Administer IT Oy	2385453-5	200,000	200,000	100%
Administer Oy Jyväskylä	2385460-7	1,500,000	1,500,000	100%
Administer Oy Turku	2405732-7	250,000	250,000	100%
Administer Oy Uusimaa	2660592-1	500,000	500,000	100%
Tiltoimisto Polojärvi Oy	0668263-9	100	100	100%
Muonion Taloushallinto Oy	2462658-5	100	100	100%
Administer Oy Vantaa	0625777-1	5,000	5,000	100%
E-Tilipalvelut Oy City	1932692-4	800	800	100%
Administer Sverige AB, Sweden	559066-3752	500	500	100%
Waasa Profit Counter Oy Ab	2508646-1	100	100	100%
Administer Oy Jämsä	0842285-7	100	85	85%
Adner Oy	2239866-2	12,500	12,500	100%
Silta Group Oy	2473255-6	407,500	407,500	100%
Silta Oy	0107636-5	62	62	100%
Silta Oü, Estonia	12622209	1	1	100%
Administer Group Services Oy	3106561-6	100,000	100,000	100%
Emce Solutions Partner Oy	0351135-9	63,767	63,767	100%
EmCe Yritysjärjestelmä Oy	0519607-3	660	660	100%
EmCe Enterprise Solutions Oy	2044366-9	266,941	266,941	100%
Tilikamut Oy	0711872-2	60	60	100%
Konnektor Oy ¹⁾	2734794-4	10,000	10,000	100%
WaBuCo Financial Services Oy	0721798-2	100	100	100%
Sydän-Suomen Taloushallinto Oy	0758388-6	30	30	100%
Econia Oy	1054184-7	2,236,680	2,236,680	100%
Associate companies:				
Serveria Oy	2453145-5	250,000	125,000	50%
Kuntalaskenta Oy	1911246-7	1,000	499	49.9%
Yrittäjän Polku Oy ²⁾	2960548-4	250,000	250,000	100%

¹⁾ Merged with Tilikamut Oy on September 30, 2022

²⁾ Share of control 20%, not consolidated to group

Internal shareholdings

Consolidated financial statements have been prepared based on the acquisition cost method. The difference of the acquisition cost of the shares of each subsidiary, associate or joint venture and the Company's share of shareholders' equity at the date of acquisition is reported as consolidated goodwill.

Internal transactions and internal margins

Internal business transactions, unrealised internal margins, mutual receivables and liabilities, and Group contributions have been eliminated.

Minority interest

Minority interest has been separated from the consolidated shareholders equity and from the profit (loss) for the period and has been shown as a separate item.

Changes in group structure

Companies WaBuCo Financial Services Oy and Sydän-Suomen Taloushallinta Oy acquired during the financial period have been consolidated to the Group from 1 April 2022 onwards and Econia Oy from 1 November 2022 onwards. Administer Oy Uusimaa was acquired to group sole ownership on 22 December 2022. Konnektor Oy was merged with Tilikamut Oy 30 September 2022.

Therefore, the consolidated financial statements for the previous financial period are not comparable with the currently reported financial period.

Amortization of consolidated goodwill

Consolidated goodwill is amortised over a period of 10 years. Consolidated goodwill from acquisition of Silta companies is amortised over a period of 20 years. Consolidated goodwill from acquisition of Silta companies is verified for impairment when preparing the annual financial statements, and if the net present value of the expected cash flows was lower than the depreciated book value of consolidated goodwill, the difference would be booked as impairment.

NOTES TO INCOME STATEMENT

Net sales	Consolidated		Parent company	
	2022	2021	2022	2021
	52,778,369.13	41,913,470.73	10,155,877.84	10,250,126.40
Total	52,778,369.13	41,913,470.73	10,155,877.84	10,250,126.40

Depreciations according to plan

The acquisition costs of intangible and tangible assets owned by the company except land are depreciated according to the plan.

Assets	Depreciation method
Development expenditures	5–10 years straight-line
Intangible rights	5–10 years straight-line
Consolidated goodwill	10–20 years straight-line
Goodwill	10 years straight-line
Other capitalised long-term expenditures	3–6 years straight-line
Machinery and equipment	15–25% residual depreciation

Non-current assets the expected economic lifespan of which is less than three years and purchases under 850 euros are booked fully as costs when acquired.

The company has evaluated its depreciation plans and harmonised the depreciation principles between the acquired companies in the Group and adjusted the depreciation periods to correspond with the expected duration of future economic benefits. Development expenditure and intangible rights are depreciated over five years, or if intellectual property rights have formed to any Group companies from those, and if the Board of Directors expects the economic benefit to be substantially longer, they are depreciated over ten years. The company assesses its depreciation plans whenever there is an indication that the asset may be impaired.

The accounting method for development expenditure in EmCe Yritysjärjestelmät Oy was changed from 1 August 2021 onward to be in line with the rest of the Group. Development expenditure comprising of own work and purchased external services that are expected to bring economic benefits for a long period of time are activated to the balance sheet.

NOTES TO ASSETS

NON-CURRENT ASSETS

INTANGIBLE ASSETS	Consolidated		Parent company	
	2022	2021	2022	2021
Development expenditures				
Acquisition cost as of 1 January	2,971,585.55	1,877,591.97	1,970,100.40	1,605,196.12
Increases	1,705,732.16	1,093,993.58	327,681.23	364,904.28
Acquisition cost as of 31 December	4,677,317.71	2,971,585.55	2,297,781.63	1,970,100.40
Accumulated depreciation and write-downs as of 1 January	-1,204,869.04	-946,851.93	-1,040,816.73	-946,852.08
Depreciations for the period	-349,958.89	-258,017.11	-133,263.40	-93,964.65
Accumulated depreciation as of 31 December	-1,554,827.93	-1,204,869.04	-1,174,080.13	-1,040,816.73
Balance sheet value as of 31 December	3,122,489.78	1,766,716.51	1,123,701.50	929,283.67
Intangible rights				
Acquisition cost as of 1 January	1,574,275.17	1,388,048.39	227,601.58	227,601.58
Increases	23,209.77	186,226.78	0.00	0.00
Acquisition cost as of 31 December	1,597,484.94	1,574,275.17	227,601.58	227,601.58
Accumulated depreciation and write-downs as of 1 January	-1,098,138.18	-856,322.18	-108,178.93	-52,982.13
Depreciations for the period	-144,576.84	-241,816.00	-59,933.25	-55,196.80
Impairment	0.00	0.00	0.00	0.00
Accumulated depreciation as of 31 December	-1,242,715.02	-1,098,138.18	-168,112.18	-108,178.93
Balance sheet value as of 31 December	354,769.92	476,136.99	59,489.40	119,422.65
Consolidated goodwill				
Acquisition cost as of 1 January	26,745,403.25	15,915,839.79		
Increases	18,022,412.26	10,829,563.46		
Acquisition cost as of 31 December	44,767,815.51	26,745,403.25		
Accumulated depreciation and write-downs as of 1 January	-3,990,028.93	-2,662,916.29		
Depreciations for the period	-2,302,640.20	-1,327,112.64		
Accumulated depreciation as of 31 December	-6,292,669.13	-3,990,028.93		
Balance sheet value as of 31 December	38,475,146.38	22,755,374.32		

INTANGIBLE ASSETS	Consolidated		Parent company	
	2022	2021	2022	2021
Goodwill				
Acquisition cost as of 1 January	1,293,067.32	1,293,067.32	518,217.32	518,217.32
Increases	3,283,607.35	0.00	1,721,345.00	0.00
Acquisition cost as of 31 December	4,576,674.67	1,293,067.32	2,239,562.32	518,217.32
Accumulated depreciation and write-downs as of 1 January	-698,741.73	-575,432.34	-246,254.43	-199,926.04
Depreciations for the period	-239,220.55	-123,309.39	-91,089.15	-46,328.39
Accumulated depreciation as of 31 December	-937,962.28	-698,741.73	-337,343.58	-246,254.43
Balance sheet value as of 31 December	3,638,712.39	594,325.59	1,902,218.74	271,962.89
Other capitalized long-term expenditures				
Acquisition cost as of 1 January	2,404,896.32	2,055,713.89	447,908.10	434,084.10
Increases	577,064.28	349,182.43	22,896.56	13,824.00
Acquisition cost as of 31 December	2,981,960.60	2,404,896.32	470,804.66	447,908.10
Accumulated depreciation and write-downs as of 1 January	-1,292,753.23	-913,553.20	-253,801.22	-176,837.87
Depreciations for the period	-478,762.11	-379,200.03	-78,100.95	-76,963.35
Accumulated depreciation as of 31 December	-1,771,515.34	-1,292,753.23	-331,902.17	-253,801.22
Balance sheet value as of 31 December	1,210,445.26	1,112 143.09	138,902.49	194,106.88
Intangible assets total	46,801,563.73	26,704,696.50	3,224,312.13	1,514,776.09

TANGIBLE ASSETS	Consolidated		Parent company	
	2022	2021	2022	2021
Land and water areas				
Acquisition cost as of 1 January	36,357.84	36,357.84	0.00	0.00
Acquisition cost as of 31 December	36,357.84	36,357.84	0.00	0.00
Balance sheet value as of 31 December	36,357.84	36,357.84	0.00	0.00
Buildings and structures				
Acquisition cost as of 1 January	224,404.00	224,404.00	0.00	0.00
Increases	75,421.20	0,00	0.00	0.00
Acquisition cost as of 31 December	299,825.20	224,404.00	0.00	0.00
Accumulated depreciation and write-downs as of 1 January	-55,776.18	-48,750.02	0.00	0.00
Depreciations for the period	-7,265.26	-7,026.16	0.00	0.00
Accumulated depreciation as of 31 December	-63,041.44	-55,776.18	0.00	0.00
Balance sheet value as of 31 December	236,783.76	168,627.82	0.00	0.00
Machinery and equipment				
Acquisition cost as of 1 January	400,078.17	358,065.43	202,706.15	221,875.50
Increases	577,255.21	62,837.74	117,500.00	1,655.65
Decreases	-56,957.58	-20,825.00	-27,844.85	-20,825.00
Transfer between items	-16,306.15	0.00	0.00	0.00
Acquisition cost as of 31 December	904,069.65	400,078.17	292,361.30	202,706.15
Accumulated depreciation and write-downs as of 1 January	-182,811.24	-127,305.10	-101,716.87	-80,003.56
Depreciations for the period	-115,886.39	-55,506.14	-33,615.72	-21,713.31
Accumulated depreciation as of 31 December	-298,697.63	-182,811.24	-135,332.59	-101,716.87
Balance sheet value as of 31 December	605,372.02	217,266.93	157,028.71	100,989.28

TANGIBLE ASSETS	Consolidated		Parent company	
	2022	2021	2022	2021
Other tangible assets				
Acquisition cost as of 1 January	27,702.89	27,702.89	0,00	0,00
Transfer between items	0.00	0.00	0,00	0,00
Acquisition cost as of 31 December	27,702.89	27,702.89	0,00	0,00
Accumulated depreciation and write-downs as of 1 January	-16,574.19	-16,574.19	0,00	0,00
Accumulated depreciation as of 31 December	-16,574.19	-16,574.19	0,00	0,00
Balance sheet value as of 31 December	11,128.70	11,128.70	0,00	0,00
Tangible assets total	889,642.32	433,381.29	157,028.71	100,989.28

INVESTMENTS	Parent company	
	2022	2021
Shares in affiliated companies		
Acquisition cost as of 1 January	21,933,623.81	10,960,605.46
Increases	23,083,066.26	10,973,018.35
Acquisition cost as of 31 December	45,016,690.07	21,933,623.81
Balance sheet value as of 31 December	45,016,690.07	21,933,623.81

Accounts receivable from affiliated companies	Parent company	
	2022	2021
As of 1 January	200,000.00	210,000.00
Decreases	0.00	-10,000.00
As of 31 December	200,000.00	200,000.00
Balance sheet value as of 31 December	200,000.00	200,000.00

INVESTMENTS	Consolidated		Parent company	
	2022	2021	2022	2021
Participating interests				
Acquisition cost as of 1 January	282,125.03	229,537.09	101,600.00	101,600.00
Increases	27,775.00	52,587.94	0.00	0.00
Transfer between items	0.00	0.00	0.00	0.00
Acquisition cost as of 31 December	309,900.03	282,125.03	101,600.00	101,600.00
Balance sheet value as of 31 December	309,900.03	282,125.03	101,600.00	101,600.00
Other shares				
Acquisition cost as of 1 January	4,786.00	106,386.00	2,500.00	2,500.00
Increases	188,812.29	0.00	0.00	0.00
Transfer between items	114,675.50	-101,600.00	0.00	0.00
Balance sheet value as of 31 December	308,273.79	4,786.00	2,500.00	2,500.00

CURRENT ASSETS

RECEIVABLES	Consolidated		Parent company	
	2022	2021	2022	2021
Material items included in prepayments and accrued income				
Accrued income	847,081.19	369,947.55	56,258.16	251,352.01
Prepaid expenses	419,220.96	229,990.13	71,094.29	85,482.54
Tax accrual	12,305.72	135,438.47	0.00	0.00
Other prepayments or accrued income	366,980.25	487,366.59	8,380.96	0.00
Total	1,645,588.12	1,222,742.74	135,733.41	336,834.55

NOTES TO EQUITY AND LIABILITIES

CHANGES IN SHAREHOLDERS EQUITY

	Consolidated		Parent company	
	2022	2021	2022	2021
Restricted shareholders' equity				
Share capital				
As of 1 January	80,000.00	2,522.82	80,000.00	2,522.82
Increases	0.00	77,477.18	0.00	77,477.18
As of 31 December	80,000.00	80,000.00	80,000.00	80,000.00
Restricted shareholders equity total	80,000.00	2,522.82	80,000.00	80,000.00
Non-restricted shareholders' equity				
Invested non-restricted equity fund				
As of 1 January	30,142,335.79	5,553,903.33	30,142,335.79	5,553,903.33
Increases	466,417.82	24,665,909.64	466,417.82	24,665,909.64
Decreases	0.00	-77,477.18	0.00	-77,477.18
As of 31 December	30,608,753.61	30,142,335.79	30,608,753.61	30,142,335.79
Retained earnings (loss)	2,100,445.87	3,910,904.09	4,307,127.58	4,867,013.74
Shares held by the group	12,197.56	0.00	0.00	0.00
Dividends paid	-11,250.00	-19,500.00	0.00	0.00
Translation differences	33,990.28	1,498.72	0.00	0.00
Profit (loss) for the period	-702,814.19	-1,792,456.94	1,153,317.43	-559,886.16
Retained earnings (loss)	1,432,569.52	2,100,445.87	5,460,445.01	4,307,127.58
Non-restricted shareholders equity total	32,041,323.13	32,242,781.66	36,069,198.62	34,449,463.37
Shareholders' equity total	32,121,323.13	32,322,781.66	36,149,198.62	34,529,463.37

	Parent company	
	2022	2021
Distributable equity		
Fund for non-restricted shareholders' equity	30,608,753.61	30,142,335.79
Retained earnings (loss)	4,307,127.58	4,867,013.74
Development expenditures	-1,123,701.50	-929,283.67
Profit (loss) for the period	1,153,317.43	-559,886.16
Distributable equity	34,945,497.12	33,520,179.70

LIABILITIES

	Consolidated		Parent company	
	2022	2021	2022	2021
Loans from financial institutions	15,924,311.45	3,841,059.34	15,369,422.64	3,078,429.34
Total	15,924,311.45	3,841,059.34	15,369,422.64	3,078,429.34

Covenants included in financing agreements

The following covenants are included in the financing agreements:

- 1) Equity ratio shall be at least 35% reviewed bi-annually June 30 and December 31
- 2) Interest-bearing liabilities to EBITDA ratio shall not be higher than 3.35x reviewed 31.12.2022 and shall not be higher than 3.15x reviewed 30 June 2023, and after this, not higher than 2.75 bi-annually reviewed (30 June and 31 December)

Fulfillment of covenants

Equity ratio and Interest-bearing liabilities to EBITDA ratio fulfilled the covenants included in the financial agreements when reviewed 31 December 2021, 30 June 2022, and 31 December 2022.

MATERIAL ITEMS INCLUDED IN ACCRUED EXPENSES AND DEFERRED INCOME

	Consolidated		Parent company	
	2022	2021	2022	2021
Accrued holiday pay incl. social security costs	5,981,010.16	3,944,197.80	584,530.51	654,255.93
Pension liabilities	83,271.79	174,606.44	0.00	73,564.99
Other mandatory insurance costs	29,025.03	100,289.04	0.00	31,245.98
Other accrued personnel expenses	34.07	22,817.25	0.00	0.00
Subcontracting and services	136,604.28	0.00	0.00	0.00
Other accrued expenses/deferred income	1,572,823.59	490,314.73	164,545.66	22,592.64
Total	7,802,768.92	4,732,225.26	749,076.17	781,659.54
Tax liabilities	304,432.59	568,613.62	253,727.74	0.00

LIABILITIES TO OTHER GROUP COMPANIES

	Parent company	
	2022	2021
Trade payables	883,835.27	900,616.11
Other liabilities	889,659.05	1,688,257.50
Accrued expenses and deferred income	588,000.00	0.00
Total	2,361,494.32	2,588 873.61

NOTES TO CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

CONTINGENT LIABILITIES

Credit limit agreements	Consolidated		Parent company	
	2022	2021	2022	2021
Granted credit limit in total	2,713,500.00	1,860,000.00	1,000,000.00	1,000,000.00
Credit in use	553,549.74	96,960.52	524,875.43	0.00

Guarantees on behalf of other Group companies	Consolidated		Parent company	
	2022	2021	2022	2021
On behalf of other Group companies	3,465,634.00	2,486,018.00	3,465,634.00	1,786,018.00

Leasing liabilities	Consolidated		Parent company	
	2022	2021	2022	2021
Liabilities to be paid for leasing agreements				
Due within 12 months	302,134.02	255,507.06	79,140.66	25,587.19
Due later	297,595.72	219,323.91	120,066.08	15,462.63
Total	599,729.74	474,830.97	199,206.74	41,049.82

Leasing agreements are mainly three-year contracts with no redemption obligation.

Other contingent liabilities	Consolidated		Parent company	
	2022	2021	2022	2021
Lease guarantees paid	66,883.71	63,054.43	23,235.85	24,035.85
Lease guarantees given	204,274.10	329,327.04	72,512.00	102,743.00

Collaterals for own loans	Consolidated		Parent company	
	2022	2021	2022	2021
Loans from financial institutions				
Real estate mortgages	300,000.00	300,000.00	0.00	0.00
Business mortgages	33,840,456.38	22,840,456.38	19,000,000.00	8,000,000.00
Pledged shares	42,809,132.86	20,557,350.71	28,041,572.86	5,789,790.71
Total	76,949,589.24	43,697,807.09	47,041,572.86	13,789,790.71

PURCHASE OBLIGATION FOR SYSTEM SERVICES

	Consolidated	Parent company
Year 2023	2,300,000.00	

NOTES FOR FEES PAID TO EXTERNAL AUDITOR

AUDIT FEES

	Consolidated		Parent company	
	2022	2021	2022	2021
Audit fees	94,403.50	53,615.00	48,978.50	13,780.00
Separate assignments and statements	9,900.00	224,109.84	9,900.00	224,109.84
Total	104,303.50	277,724.84	58,878.50	237,889.84

NOTES FOR PERSONNEL, CEO AND BOARD OF DIRECTORS

AVERAGE NUMBER OF PERSONNEL

During the period, company employed	Consolidated		Parent company	
	2022	2021	2022	2021
Total	657	653	100	114

FEES AND BENEFITS OF THE BOARD OF DIRECTORS AND CEO(S)

	Consolidated		Parent company	
	2022	2021	2022	2021
CEO(s)	590,320.20	681,148.54	218,030.00	208,004.50
Board of Directors	171,900.00	124,000.00	160,857.00	61,000.00
Total	762,220.20	805,148.54	378,887.00	269,004.50

No financial loans or guarantees given for managing directors in group companies or members of the board of directors. Managing directors of group companies are part of TyEL/YEL pension scheme. No other pension commitments have been made on behalf of managing directors or members of the board of directors of group companies.

LIST OF ACCOUNTING RECORDS

Company bookkeeping has been carried out in accounting system eFina.

ACCOUNTING RECORDS

Annual statements and breakdown of balance sheet	digital
Balance sheet by account	digital
Income statement by account	digital
Charter of accounts	digital
Journal	digital
General ledger	digital
Accounts receivable	digital
Accounts payable	digital
Payroll	digital

VERIFICATE TYPES

Type	No. from	Repository
OR Purchase invoices	1	digital
MY Sales invoices	10 000	digital
T1 Bank verificates	30 000	digital
Bank statements		digital
PA Payroll	50 000	digital
MU Others	60 000	digital
JA Accruals and deferrals	70 000	digital
LI Appendix verificates		digital

SIGNING OF THE REVIEW BY THE BOARD OF DIRECTORS AND THE FINANCIAL STATEMENTS

Helsinki 13 April 2023

Jukka-Pekka Joensuu
Chair of the Board of Directors

Peter Aho
Member of the Board of Directors
CEO

Julianna Borsos
Member of the Board of Directors

Risto Koivula
Member of the Board of Directors

Minna Vanhala-Harmanen
Member of the Board of Directors

AUDIT RECORD

Auditor's report has been given today for the audit conducted.

Helsinki 14 April 2023

Ernst & Young Oy

Johanna Winqvist-Ilkka
Authorized Public Accountant

AUDITOR'S REPORT (Translation of the Finnish original) TO THE ANNUAL GENERAL MEETING OF ADMINISTER PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Administer Plc (business identity code 0593027-4) for the year ended 31 December, 2022. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

BASIS FOR OPINION

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the **Auditor's Responsibilities for the Audit of the Financial Statements** section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical

responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE FINANCIAL STATEMENTS

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER REPORTING REQUIREMENTS

OTHER INFORMATION

The Board of Directors and the Managing Director are responsible for the other information. The other information that we have obtained prior to the date of this auditor's report is the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the

report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 14.4.2023

Ernst & Young Oy
Authorized Public Accountant Firm

Johanna Winqvist-Ilkka
Authorized Public Accountant



ADMINISTER GROUP

www.administergroup.com

Administer Oyj | Itämerenkatu 5 | 00180 Helsinki

