

AVIDLY

Avidly Plc

**FINANCIAL STATEMENTS
RELEASE 2021**

4 March 2022 at 08:30



AVIDLY PLC FINANCIAL STATEMENTS RELEASE

1 JANUARY – 31 DECEMBER 2021

Organic revenue growth was 20.0% reaching EUR 30 million in 2021, gross profit increased by 15.8% and adjusted operating result rose to EUR 1.1 million (EUR 0.3 million).

OCTOBER–DECEMBER 2021

- Revenue was 8,293 thousand euros (6,890 thousand), an increase of 20.4%.¹
 - Other countries segment's portion of revenue was 24% (22%).
- Gross profit totaled 5,737 thousand euros (5,304 thousand), an increase of 8.2%.
 - Other countries segment's portion of gross profit was 27% (26%).
 - Continuous services accounted for approximately 51% (38%) of gross profit.
- The Group's operating result was -73 thousand euros (53 thousand).
- Adjusted operating result² totaled 9 thousand euros (241 thousand), or 0.1% of revenue (3.5%).

JANUARY–DECEMBER 2021

- Revenue was 29,972 thousand euros (24,970 thousand), an increase of 20.0%.
 - Other countries segment's portion of revenue was 24% (23%).
- Gross profit was 21,596 thousand euros (18,649 thousand), an increase of 15.8%.
 - Other countries segment's portion of gross profit was 28% (26%).
 - Continuous services accounted for approximately 47% (42%) of gross profit.
- EBITDA was 1,625 thousand euros (1,724 thousand), a decrease of -5.7%.
- The Group's operating result was -57 thousand euros (-61 thousand).

- Adjusted operating result² improved to 1,074 thousand euros (337 thousand), or 3.6% of revenue (1.3%).
- Profit for the period was -218 thousand euros (-342 thousand).
- Earnings per share was -0.04 euros (-0.09).
- Cash flow from operations was 1,873 thousand euros (1,611 thousand).
- The Board of Directors proposes to the Annual General Meeting to be held on 30 March 2022 that no dividend be distributed for the financial year 2021 (0.00 euros for 2020).

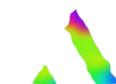
OUTLOOK FOR 2022:

Avidly estimates that its revenue in 2022 will be between 34 and 36 million euros (revenue in 2021: 30.0 million euros) and that its adjusted operating result will increase (adjusted operating result in 2021: 1.1 million euros).

The adjusted operating result refers to the operating result (EBIT) that has been adjusted for the acquisition costs and allocated depreciation of acquired businesses as well as expenses associated with the share-based incentive scheme pursuant to IFRS.

1) Unless otherwise stated, comparisons and figures in parentheses refer to the comparison period (i.e. the same period last year).

2) Adjusted operating result refers to operating result (EBIT) adjusted for the acquisition costs and allocated depreciation of acquired businesses as well as expense associated with the share-based incentive scheme pursuant to IFRS.



CEO JESSE MAULA:

Avidly's year 2021 was characterized by very rapid organic growth, investments in business development, and a favorable operating environment.

Our revenue increased by 20% to 30.0 million euros, and the gross profit, which measures the volume of our own operations, increased by 15.8% to 21.6 million euros. Growth was especially rapid in our international business, where gross profit grew at about twice the rate of the Finnish business. Outside Finland, demand was particularly focused on digital services that accelerate sales and marketing automation, while in Finland, demand covered all the marketing technology services we offer. The share of continuous services of gross profit increased to 47% (42%) in 2021.

In addition to growth, we invested significantly in developing our business. One of the key events during the year was – from the perspective of the next few years' growth and service development – the acquisition of Digital 22 Online disclosed in 2021. The acquisition expands our operations to the UK and Canada in 2022 and strengthens our position as a global leading service provider for the world's leading marketing automation system HubSpot. In Q4, we also implemented essential changes in the organization and management of our business, such as the reorganization of our operations in Finland, Norway and Sweden, and Germany.

Despite the investments made in developing our business, Avidly's operating profit in 2021 improved by 6.6% to -0.1 million euros. Our adjusted operating result*, which describes the operational performance of our operations, more than tripled to 1.1 million euros.

Avidly's growth platform, processes and reputation have developed in the right direction during the year. The good development has also been reflected in the new customers won in Q4, including Lappeenranta Energy and Svenska litteratursällskapet in Finland, Kahoot and HMD Connect Pro in Denmark, TOMRA Collection and Neoss in Sweden and Norway, and Kreuzmayr Bayern in Germany. In addition, we succeeded in deepening and expanding our existing customer relationships and improving our customer satisfaction. I would like to thank all Avidlyans for these important achievements. Our ability to retain our current martech experts at Avidly and to attract new ones to our service is central to our success also in future.

At present, the market outlook for 2022 is favorable. Overall, Avidly is well-positioned to further develop its offering and continue to grow strongly in the years to come. Our goal is to keep profitability at a reasonable level in the future, but in line with our strategy, we will continue to focus on developing our service platform and expanding our operations within the martech ecosystem.

KEY FIGURES

EUR 1,000	1-12 2021	1-12 2020	Change,%
Revenue	29,972	24,970	20.0
Other countries segment's portion of revenue	7,099	5,627	26.2
Gross profit	21,596	18,649	15.8
Other countries segment's portion of gross profit	5,953	4,797	24.1
Continuous services as % of gross profit	47%	42%	
EBITDA	1,625	1,724	-5.7
Operating result (EBIT)	-57	-61	6.6
EBITA**	121	168	-28.0
Adjusted operating result*	1,074	337	218.7
Profit before taxes	-269	-400	-32.8
Personnel, average	237	228	3.9
Earnings/share, EUR	-0,04	-0,09	52.3
Earnings/share, diluted, EUR	-0,04	-0,08	52.9
Equity ratio, %	48.14%	40.91%	
ROE, %	-2.13%	-4.07%	
Equity/share, EUR	2.02	1.85	8.7
Gearing, %	6.22%	14.34%	
Number of outstanding shares, weighted average during the period	5,279,531	3,954,023	
Number of outstanding shares, at the end of the period	5,279,531	5,279,531	
Number of outstanding shares adjusted for dilution, weighted average during the period***	5,702,591	4,218,683	

* Adjusted operating result = operating result (EBIT) adjusted for acquisition costs and allocated depreciation of acquired businesses, as well as expenses associated with the share-based incentive scheme pursuant to IFRS.

** EBITA = operating result (EBIT) added with depreciations and impairments on acquisitions.

*** Dilution effect includes management share-based incentive programme's potential dilution effect from new shares calculated with the closing share price at the end of the review period.

SIGNIFICANT EVENTS DURING 2021

Digital 22 Online acquisition

In December 2021, Avidly signed an agreement to acquire the UK-based inbound marketing specialist and HubSpot Elite Partner, Digital 22 Online Limited. Digital 22 is a growth marketer which develops its customers' businesses through inbound, content and performance marketing and sales using the HubSpot technology primarily in the United Kingdom. The acquisition expands Avidly's operations into new markets in the UK and Canada and strengthens its position as the global leading service provider for the world's leading marketing automation system HubSpot.

The transaction was completed after the end of financial year in January 2022. The purchase price for the acquisition totaled EUR 1,225,882, which was paid upon completion of the acquisition by offering new Avidly shares in a directed issue to the owners of Digital 22 and through a cash payment totaling approximately EUR 833,600.

In addition, Avidly will pay the sellers an additional purchase price of up to EUR 4,903,530 in total in 2024 and 2025 in tranches, provided that the conditions set for the additional purchase price are met.

More information about the transaction can be found in the company releases published by Avidly on 21 December 2021 and 12 January 2022.

New reporting segments and reporting cycle

As of 1 January 2021, Avidly Plc began reporting its business divided into two geographical segments, which are: 'Finland' and 'Other Countries'. At the same time, Avidly ceased reporting on separate Marketing Services and Inbound Marketing segments. Avidly Plc also began publishing business reviews for the periods January–March and January–September.

Brand renewal

In March, Avidly refreshed its brand, which reflects the key element of its impact-driven growth strategy published in December 2020.

FINANCIAL DEVELOPMENT

Revenue

In 2021, Avidly's revenue increased by 20.1% in Finland and by 26.2% in other countries. The Group's revenue, taking into account group eliminations and unallocated items, increased by 20.0% to 29,972 thousand euros (24,970 thousand).

Full-year revenue growth was impacted by a favourable operating environment for martech services both in Finland and in other operating countries, and the development of the company's operations in the right direction.

REVENUE BY SEGMENT

EUR 1,000	7-12 2021	7-12 2020	Change %	1-12 2021	1-12 2020	Change %
Finland	11,510	9,415	22.3%	23,672	19,717	20.1%
Other countries	3,660	2,793	31.0%	7,099	5,627	26.2%
Group eliminations and unallocated	-436	-201	116.9%	-799	-374	113.6%
Avidly Group, total	14,734	12,007	22.7%	29,972	24,970	20.0%

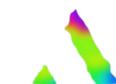
Gross profit

Avidly's gross profit increased by 13.6% in Finland and by 24.1% in other countries. The Group's gross profit, taking into account group eliminations and unallocated items, increased by 15.8% to 21,596 thousand euros (18,649 thousand). The slower growth

in gross profit than in revenue was due to an increase in the relative share of pass-through invoiced media advertising and subcontracting from the comparison year. Continuous services accounted for approximately 47% (42%) of gross margin.

GROSS PROFIT BY SEGMENT

EUR 1,000	7-12 2021	7-12 2020	Change %	1-12 2021	1-12 2020	Change %
Finland	7,506	6,931	8.3%	15,936	14,025	13.6%
Other countries	2,930	2,459	19.2%	5,953	4,797	24.1%
Group eliminations and unallocated	-154	-67	129.9%	-293	-173	69.4%
Avidly Group, total	10,282	9,323	10.3%	21,596	18,649	15.8%



FINANCIAL RESULT

Employee benefit expenses increased by 22.4% year-on-year to 16,600 thousand euros (13,558 thousand). A total of 953 thousand euros (169) of cost pursuant to IFRS associated with the share-based incentive scheme (technical, no impact on cash flow) was recognised in the Group's employee benefit expenses. Without this technical cost, the employee benefit expenses increased by 16.9%. In the comparison year, personnel expenses were affected by the cooperation negotiations and the adjustment of the number of personnel to meet demand through various holiday and layoff arrangements.

The Group's EBITDA decreased by -5.7% from the comparison year and was 1,625 thousand euros (1,724 thousand), or 5.4% of revenue (6.9%). This development was mainly affected by the increase in personnel

expenses from the comparison year, including a total expense of 953 thousand euros (169 thousand) related to the share-based incentive scheme.

Avidly's operating result improved slightly to -57 thousand euros (-61 thousand). Operating profit accounted for -0.2% of revenue (-0.2%) and for -0.3% (-0.3%) of gross profit. Adjusted operating profit (EBITA = operating profit (EBIT) + allocated depreciation and impairment of acquired businesses) decreased slightly to 121 thousand euros (168 thousand), or 0.4% of revenue (0.7%). Taking into account the IFRS-related expenses related to the management share-based incentive plan, the adjusted operating result increased to 1,074 thousand euros (337 thousand).

OPERATING PROFIT BY SEGMENT

EUR 1,000	7-12 2021	7-12 2020	Change %	1-12 2021	1-12 2020	Change %
Finland	329	474	-30.6%	1,030	167	516.8%
Other countries	-154	14	-1,200.0%	-132	-53	-149.1%
Group eliminations and unallocated	-128	-146	-12.3%	-955	-175	445.7%
Avidly Group, total	47	342	-86.3%	-57	-61	6.6%

ADJUSTED OPERATING PROFIT* BY SEGMENT

EUR 1,000	7-12 2021	7-12 2020	Change %	1-12 2021	1-12 2020	Change %
Finland	350	527	-33.6%	1,084	272	298.5%
Other countries	-92	76	-221.1%	-8	71	-111.3%
Group eliminations and unallocated	0	23	-100.0%	-2	-6	-66.7%
Avidly Group, total	258	626	-58.8%	1,074	337	218.7%

* Adjusted operating result = operating result (EBIT) adjusted for acquisition costs and allocated depreciation of acquired businesses, as well as expenses associated with the share-based incentive scheme pursuant to IFRS.

BALANCE SHEET AND FINANCIAL POSITION

On 31 December 2021, Avidly's balance sheet total was 22,105 thousand euros (23,935 thousand).

There were no changes in the goodwill on the balance sheet during the year and it amounted to 7,687 thousand euros at the end of the year (7,687 thousand). The impairment tests carried out in connection with the preparation of financial statements have not revealed any indications of impairment of assets.

The Group's equity increased by 849 thousand euros. At the end of December, the company's equity was 10,641 thousand euros (9,792 thousand). The equity ratio on 31 December 2021 was 48.14% (40.91%). Equity per share was 2.02 euros (1.85).

ASSETS BY SEGMENT

EUR 1,000	1-12 2021	1-12 2020	Change %
Finland	19,569	18,909	3.5%
Other countries	4,415	6,348	-30.5%
Group eliminations and unallocated	-1,879	-1,322	42.1%
Avidly Group, total	22,105	23,935	-7.6%

LIABILITIES BY SEGMENT

EUR 1,000	1-12 2021	1-12 2020	Change %
Finland	9,107	11,534	-21.0%
Other countries	4,234	3,954	7.1%
Group eliminations and unallocated	-1,877	-1,345	39.6%
Avidly Group, total	11,464	14,143	-18.9%

The Group's cash flow from operating activities was EUR 1,873 thousand euros (1,611 thousand).

Cash flow from financing was -2,883 thousand euros (3,933 thousand). Cash flow in the comparison year was increased by the rights issue and financing arrangements implemented during the year.

The Group's interest-bearing debt on 31 December 2021 was 5,696 thousand euros (7,565 thousand) and the gearing was 6.22% (14.34%).

INVESTMENTS AND R&D EXPENSES

Avidly's cash flow from investments during the review period totaled -116 thousand euros (133 thousand). In the comparison year, Avidly received 100 thousand euros of funding for business development projects from Business Finland for the disruption caused by the COVID-19 pandemic.

CHANGES IN GROUP STRUCTURE

On 1 October 2021, Avidly Plc acquired the shares of Avidly Sweden AB, Avidly Norway AS and Avidly Denmark ApS from Avidly AB (the holding company) following the intra-group ownership arrangement and began the dissolution of Avidly AB in order to simplify the group structure. As a result of the ownership arrangement, Avidly Plc directly owns 100% of the shares of its subsidiaries.

PARENT COMPANY

In 2021, the Group's parent company Avidly Plc's revenue totaled 19,454 thousand euros (9,314), its operating profit was 46 thousand euros (-193) and result for the period was 368 thousand (-280).

At the end of December, the Parent Company's balance sheet total was 22,503 thousand euros (21,202) and equity was 13,230 thousand euros (12,861). Its equity ratio was 58.8% (60.7%).

PROPOSAL OF THE BOARD OF DIRECTORS CONCERNING THE USE OF PROFITS

The Board of Directors proposes to the Annual General Meeting that the profit based on the adopted balance sheet of Avidly Plc for the financial year that ended on 31 December 2021 shall be transferred to an account for profits/losses and that no dividend shall

be distributed from the distributable funds for the financial year 1 January 2021 – 31 December 2021.

PERSONNEL

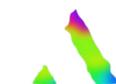
The Group employed an average of 237 (228) people during the review period. The number of personnel at the end of December was 242 (223). The number of personnel increased following growth recruitments.

Salaries and other remuneration paid for the financial year totaled 14 185 thousand euros (11 683), which includes a technical expense of 953 thousand euros (169) with no cash flow impact pursuant to IFRS associated with the management's long-term share-based incentive scheme.

Due to the corona pandemic, Avidly continued to operate remotely in 2021. In addition, we continued the work started in 2020 to build a corporate culture and human resources practices that will best support Avidly's strategic goals in the future.

CORPORATE RESPONSIBILITY

For Avidly, sustainability means above all social responsibility, ensuring the well-being of personnel and creating an inspiring work environment that promotes creativity. Corporate responsibility is described in more detail in the Report of the Board of Directors, which will be published on 11 March 2022.



SHARE AND SHARE CAPITAL

The Company has a single share series. Each share gives one vote. Avidly Plc's shares are listed on the Nasdaq First North Growth marketplace in Helsinki under the code AVIDLY.

Trading in shares and market value

In 2021, a total of 3,091,734 (2,143,933) Avidly shares were traded for 16.9 million euros (5.8), representing approximately 59% (54%) of all shares (weighted average number of outstanding shares during the period). On the final trading day of the reporting period, the share price was 5.18 euros (3.98). The volume-weighted average share price during the year was 5.45 euros (2.59), the highest quoted price during the period was 6.70 euros (5.22) and the lowest was 3.68 euros (1.10). The market value of Avidly Plc's outstanding shares at the end of December was 27.3 million euros (21.0).

Share capital, number of shares and share ownership

There were no changes in the number of Avidly Plc shares during the year. The number of shares was 5,290,004 from which 5,279,531 were outstanding and the share capital was 322 thousand euros on 31 December 2021. The number of shareholders increased clearly during the year and totaled 1,796 at year-end (1,243).

The average number of shares during the year was 5,279,531 (3,954,023).

Treasury shares

There were no changes in the number of treasury shares held by the company during the year. At the end of December, the number of the company's own shares was 10,473, or 0.2% of all shares. On 23 December 2021, Avidly Plc announced that it would start a share repurchase program. The implementation of the program has been described in events after the financial year.

Holdings of the Board of Directors and the CEO

The holdings of the Board of Directors, the CEO and the bodies they control (directly or indirectly) totaled approximately 8% (15%) at the end of December.

Management's share-based incentive scheme

On 30 June, the company had one long-term share-based incentive scheme for the Group's management in place. The incentive scheme has one earnings period (1 June 2020–31 May 2023), during which the participants of the incentive scheme can earn an investment-based reward and a performance-based reward. If the terms and conditions of the incentive scheme are met, the rewards will be paid in full as shares in the company by the end of September 2023.

The company's Board of Directors decides on whether new shares in the company, treasury shares or cash will be granted as the reward. The rewards paid based on the earnings period are a maximum of 569,580 company shares.

The terms and conditions of the incentive scheme and conditions relating to the issue of the shares are described in more detail in the company release issued on 15 July 2020:

investors.avidlyagency.com/en/company-news

Share authorisations

Authorisation to resolve upon the acquisition of the company's own shares

The AGM, held on 13 April 2021, resolved to authorise the Board of Directors to resolve upon the acquisition of the company's own shares in one or more instalments. The maximum number of shares to be acquired under the authorisation is 529,000 shares, corresponding to approximately a maximum of 10% of all shares in Avidly Plc on the date of the notice to the general meeting. Any acquisition under the authorisation may only be carried out by using the company's non-restricted equity and at a value formed in Nasdaq First North Growth Market market place maintained by Nasdaq Helsinki Ltd (Helsinki Stock Exchange) at the time of the applicable acquisition.

The Board of Directors is otherwise authorised to resolve upon all terms and conditions of the aforementioned acquisitions, including the procedure by which the shares shall be acquired. The acquired shares may be held in the company's possession or they may be annulled or further transferred. The authorisation is valid until 30 June 2022. Avidly did

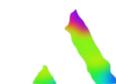
not repurchase any of its own shares during the review period under this or a previous authorisation.

On 23 December 2021, the Board of Directors of Avidly Plc resolved to launch a share buy-back program for the Company's own shares and to begin repurchasing Company's own shares. The implementation of the program has been described in the events after the financial year.

Authorisation to resolve upon one or more share issues

The 2021 AGM also resolved to authorise the Board of Directors to resolve upon one or more share issues without payment and/or share issues against payment. The authorisation includes the right to issue new shares or to transfer treasury shares possessed by Avidly Plc or to resolve upon issuing of option rights and other special rights entitling to shares as set out in the Finnish Limited Liability Companies Act Chapter 10 Section 1.

The maximum number of shares that can be issued under the authorisation, either by issuing new shares, transferring treasury shares possessed by Avidly Plc or by issuing option and other special rights entitling to shares as set out in the Finnish Limited Liability Companies Act Chapter 10 Section 1, is 1,587,000 shares. The amount corresponds to approximately a maximum of 30% of all shares in Avidly Plc, after all shares that can be issued and/or all treasury shares that can be transferred and/or all shares that can be issued



based on option and other special rights entitling to shares as set out in the Finnish Limited Liability Companies Act Chapter 10 Section 1 have been issued and/or transferred pursuant to a decision made under the authorisation. The authorisation shall not limit the right of the Board of Directors to resolve upon directed issues of shares or option and other special rights entitling to shares as set out in the Finnish Limited Liability Companies Act 10 Section 1.

The authorisation may be used in connection with arrangements important to the company, such as in transactions and business acquisitions or in connection with financing of other business arrangements or investments. The authorisation may also be used for expanding the company's ownership structure, providing incentives to the company's employees or for strengthening employee engagement or in connection with other applicable situations as resolved upon the Board of Directors from time to time, provided that there are weighty financial grounds for issuing shares or options or other special rights set out in the Finnish Limited Liability Companies Act Chapter 10 Section 1. The authorisation is valid until 30 June 2022.

The Avidly Board of Directors resolved to use this authorisation when it decided on a directed share issue to the sellers of Digital 22 Online Limited on 21 December 2021. The issue was completed in January 2022 and has been described in the events after the financial year.

Both authorisations revoked the corresponding authorisations previously granted. The resolutions

of the Annual General Meeting are available in their entirety on Avidly's website:

investors.avidlyagency.com/en/company-news

CORPORATE GOVERNANCE

Annual General Meeting

Avidly's annual general meeting (AGM) was held in Helsinki, Finland, on 13 April 2021. The AGM adopted the 2020 Financial Statements, including the consolidated financial statement, and discharged the members of the Board of Directors and the CEO from liability.

The AGM resolved, according to the proposal of the Board of Directors, that the loss based on the adopted balance sheet for the financial year that ended on 31 December 2020 shall be transferred to an account for profit/loss and that no dividend shall be paid from the distributable funds.

The AGM re-elected Joakim Fagerbakk, Juha Mikkola and Ville Skogberg as members of the Board for a term continuing until the end of the company's next AGM. Åsa Arvidsson was elected as a new member of the Board. At its organising meeting, the Board elected Joakim Fagerbakk as the Chairman of the Board and Juha Mikkola as the Vice Chairman of the Board.

The authorisations given to the Board by the AGM are discussed below in the section Authorisations of the Board.

Company management

Jonaz Kumlander was appointed Avidly Plc's Chief Technology Officer (CTO) and a member of the Management Team as of 1 October 2021.

Teea Björklund, COO of Avidly's Finnish operations and a member of the company's Management Team, took up a new position outside Avidly at the end of September 2021. Ville Himberg was appointed Chief Operating Officer (COO) of Avidly and a member of the company's Management Team in February 2022, taking up his position on 1 March 2022.

Ingunn Bjøru's area of responsibility the Management Team changed from COO of Avidly's International Operations to Chief Customer Experience Officer (CXO). The change announced in September 2021 came into force on 1 February, 2022.

In 2021, the company's management team also included CEO Jesse Maula, Deputy CEO, Chief Strategy Officer Ismo Nikkola, CFO Hans Parvikoski, Chief Revenue Office (CRO) Barbro Faberbakk and Chief Creative Officer (CCO) Jufo Peltomaa.

Certified Advisor

The Company's certified advisor, as required by the Nasdaq First North Growth Market marketplace rulebook, has been Oaklins Merasco Oy during the accounting period.

Auditor

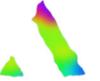
The AGM of 2021 elected Authorized Public Accountant Jari Paloniemi as the auditor of Avidly Plc and its Group and Authorized Public Accountant Veikko Terho as the deputy auditor.

SHORT-TERM BUSINESS RISKS AND UNCERTAINTIES

Avidly's short-term risks and uncertainties are associated with the development of the general economy. Uncertainty in the global economy, cost inflation and unfavorable changes in world politics, including the outbreak of war in Ukraine and related measures, may have an adverse impact on the ability and willingness of Avidly's customers to invest, and thus to the demand for Avidly's services. Avidly has no direct customers or subcontracting in Ukraine or Russia.

As vaccination coverage increases in our countries of operation, the risks associated with the coronavirus pandemic have eased to some extent. However, a possible new virus mutation in our operating countries of operation could weaken our customers' business conditions and demand for our services.

In the short and medium term, risks relating to acquisitions and internationalisation can weaken the company's profitability.



In the long term, the company's solvency can cause uncertainty if the company is unable to retain its profitability.

The company's risks are described in more detail in the 2021 Annual Report, which will be published on 11 March 2022.

EVENTS AFTER THE REVIEW PERIOD

A share buy-back program for the Company's own shares

Between 3 January 2022 and 7 January 2022, Avidly acquired a total of 19,650 of its own shares in trading on the Nasdaq First North Growth Market Finland, organized by Nasdaq Helsinki Oy. The average purchase price per share was 5,086 euros and the total value was 99,938.97 euros.

Following the acquisitions, the company holds 30,123 of its own shares, corresponding to approximately 0.57% of all the company's shares.

The Digital 22 Online acquisition was completed

On 12 January 2022, Avidly Plc completed the acquisition of Digital 22 Online Limited, a UK inbound marketing expert and Hubspot Elite partner.

The total purchase price of the shares was 1,225,882 euros, of which the cash payment accounted for

approximately 833,600 euros. The purchase price paid for Avidly's shares amounted to approximately 392,282 euros, according to which the sellers of Digital 22 Online Limited's shares subscribed for 79,656 new Avidly shares in the share issue directed to them. The subscription price per share was 4.9247 euros, which corresponds to the trade-weighted average price of Avidly's shares on the Nasdaq First North Growth marketplace maintained by Nasdaq Helsinki on 13 December 2021 – 11 January 2022.

The subscription price was recorded in full in Avidly's invested unrestricted equity fund. The number of subscribed shares corresponds to approximately 1.48% of the holding in Avidly after the registration of the shares.

The new shares were registered and admitted to trading on the Nasdaq First North Growth Market Finland together with other Avidly shares on 31 January 2022.

After registration, the number of Avidly shares is 5,369,660.

New COO

Ville Himberg (b. 1976) was appointed Chief Operating Officer (COO) and a member of the Management Team of Avidly as of 1 March 2022. Himberg has previously been the CEO of the software and IT services company Bilot Oyj and prior to that for 15 years in different positions at the strategy, design and technology company Reaktor.

Recognitions received

In January, Avidly won the esteemed global partner of the year award at HubSpot's 2021 Impact Awards for the third consecutive year. In addition, the Saka Finland campaign created by Avidly won a bronze medal in the Effie Finland competition, which measures the effectiveness of advertising.

FINANCIAL INFORMATION

Avidly Plc will publish its financial reports in 2022 as follows:

- Business review January–March 2022: 29 April 2022
- Half-yearly report January–June 2022: 26 August 2022
- Business review January–September 2022: 28 October 2022

Avidly's Annual Report 2021 including the Report of the Board of Directors and the Financial Statements for the period 1 January–31 December 2021 will be available in digital format on the company website at investors.avidlyagency.com/en/publications on 11 March 2022.

The Annual General Meeting 2022 of Avidly Plc is planned to be held on Wednesday, 30 March 2022. The Board of Directors will convene the meeting later by a separate notice.

In Helsinki, 4 March 2022.

AVIDLY PLC

BOARD OF DIRECTORS

ADDITIONAL INFORMATION:

Jesse Maula, CEO, tel. +358 40 548 0248
Hans Parvikoski, CFO, tel. +358 40 586 6154

Oaklins Merasco Oy acts as Avidly Plc's Certified Advisor, tel. +358 9 6129 670

Avidly is a leading martech service provider listed on the Nasdaq First North Growth marketplace in Helsinki. We offer holistic digital marketing and sales services, and customer experience, data and technology are closely entwined into our impact-driven growth strategy. We are a team of approximately 280 navigators and explorers, makers and shakers in 18 locations in Finland, Sweden, Norway, Denmark, Germany, UK and Canada.

READ MORE: investors.avidlyagency.com/en



ACCOUNTING PRINCIPLES

The consolidated financial statements have been prepared in accordance with the IFRS recognition and measurement principles. The accounting principles are presented on the company's website at [Investors.avidlyagency.com/en](https://investors.avidlyagency.com/en). The financial statements are reported in thousands of euros. The disclosed figures are rounded off. The figures from the financial statements 2021 and 2020 included in the release have been audited. An auditor's report was issued on 3 March, 2022.

CONSOLIDATED INCOME STATEMENT, IFRS

EUR 1,000	7-12 2021	7-12 2020	1-12 2021	1-12 2020
REVENUE	14,734	12,007	29,972	24,970
Other operating income	6	165	86	258
Materials and services	-4,458	-2,849	-8,462	-6,579
Employee benefit expenses	-7,673	-6,476	-16,600	-13,558
Depreciation and amortization	-863	-851	-1,683	-1,785
Other operating expenses	-1,702	-1,654	-3,371	-3,368
Share of profit in associated companies	0	0	0	0
OPERATING RESULT	47	342	-57	-61
Financial income and expenses	-94	-232	-212	-339
PROFIT BEFORE TAX	-47	110	-269	-400
Income taxes	60	13	51	58
PROFIT FOR THE PERIOD	12	123	-218	-342
Attributable to:				
Parent company shareholders	12	123	-218	-342
Minority shareholders	0	0	0	0
Earnings per share calculated from profit attributable to parent company shareholders				
Undiluted	0.00	0.02	-0.04	-0.09
Diluted	0.00	0.02	-0.04	-0.08

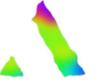
EUR 1,000	7-12 2021	7-12 2020	1-12 2021	1-12 2020
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, EUR 1,000				
Profit for the period	12	123	-218	-342
Items that may be reclassified to profit or loss in subsequent periods				
Translation differences	108	4	114	-38
Total comprehensive profit for the period	120	127	-104	-380
Total comprehensive income attributable to:				
Parent company shareholders	120	127	-104	-380
Minority shareholders	0	0	0	0



CONSOLIDATED BALANCE SHEET, IFRS

EUR 1,000	31 Dec, 2021	31 Dec, 2020
ASSETS		
Non-current assets		
Intangible rights	387	540
Goodwill	7,687	7,687
Buildings	1,998	2,483
Machinery and equipment	762	780
Other tangible assets	20	19
Investments in associated companies	315	316
Deferred tax assets	443	525
Total non-current assets	11,612	12,437
Current assets		
Work in process	584	645
Accounts receivables	3,163	3,278
Deferred tax assets	436	388
Other receivables	480	550
Prepayments and accrued income	796	563
Cash and cash equivalents	5,034	6,161
Total current assets	10,493	11,585
TOTAL ASSETS	22,105	23,935

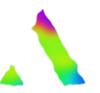
EUR 1,000	31 Dec, 2021	31 Dec, 2020
EQUITY AND LIABILITIES		
Equity		
Share capital	322	322
Invested unrestricted equity fund	12,659	12,659
Retained earnings	-2,340	-3,189
Total equity	10,641	9,792
Non-current liabilities		
Financial liabilities	2,907	4,316
Deferred tax liabilities	171	209
Total non-current liabilities	3,078	4,525
Current liabilities		
Financial liabilities	2,789	3,249
Received advances	560	609
Accounts payable	1,166	1,174
Other liabilities	1,898	2,636
Accrued expenses and deferred income	1,973	1,950
Total current liabilities	8,386	9,618
Total liabilities	11,464	14,143
TOTAL EQUITY AND LIABILITIES	22,105	23,935



CONSOLIDATED CASH FLOW STATEMENT, IFRS

EUR 1,000	1-12 2021	1-12 2020
CASH FLOW FROM OPERATIONS		
Operating result	-57	-61
Adjustments to operating result	2,636	1,890
Change in working capital	-481	-6
Received financial income	36	18
Financial expenses paid	-261	-233
Taxes paid	-	3
Cash flow from operations	1,873	1,611
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets	-116	133
Cash flow from investments	-116	133

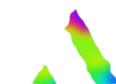
EUR 1,000	1-12 2021	1-12 2020
CASH FLOW FROM FINANCING		
Business acquisitions	-	-80
Changes in loans	-1,434	2,810
Sale of treasury shares	-	10
Share issue	-	2,592
Lease payments	-1,449	-1,399
Cash flow from financing	-2,883	3,933
TOTAL CASH FLOWS		
Changes in cash and cash equivalents	-1,127	5,677
Cash and cash equivalents at 1 Jan	6,161	484
Cash and cash equivalents at 31 Dec	5,034	6,161



CHANGES IN CONSOLIDATED EQUITY, IFRS

EUR 1,000	Share capital	Invested unrestricted equity fund	Retained earnings	Total
Equity at 1 January 2020	322	9,690	-2,978	7,034
Share issue		2,959		2,959
Transfer of treasury shares		10		10
Share-based incentive program			169	169
Translation difference			-38	-38
Profit for the period			-342	-342
Equity at 31 December 2020	322	12,659	-3,189	9,792

EUR 1,000	Share capital	Invested unrestricted equity fund	Retained earnings	Total
Equity at 1 January 2021	322	12,659	-3,189	9,792
Share issue				-
Share-based incentive program			953	953
Translation difference			114	114
Profit for the period			-218	-218
Equity at 31 December 2021	322	12,659	-2,340	10,641



FINANCIAL LIABILITIES

Book value

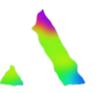
EUR 1,000	2021	2020
Non-current financial liabilities valued at amortized cost		
Loans from credit institutions	1,566	2,440
Finance lease liabilities + rental properties	1,341	1,876
Total	2,907	4,316
Current financial liabilities valued at amortized cost		
Loans from credit institutions	690	904
Factoring	759	1,105
Finance lease liabilities + rental properties	1,340	1,240
Total	2,789	3,249
Total financial liabilities valued at amortized cost	5,696	7,565

CONTINGENT LIABILITIES

Guarantees given on own behalf

EUR 1,000	31 Dec, 2021	31 Dec, 2020
Corporate mortgages	4,600	4,600
Total	4,600	4,600

The book value for loans from credit institutions has been calculated with the effective interest method and the fair value has been defined using the discounted cash flow method where the discount rate used has been a rate at which the Group could receive a similar external loan at the end of the accounting period. All loans from credit institutions are denominated in euros.



CALCULATION OF KEY FINANCIAL FIGURES

Gross Profit	= Revenue + Other Operating Income - Materials and Services
EBITDA	= Earnings before interest, tax, depreciation and amortisation
Earnings / share	= Profit for the period / Number of outstanding shares (weighted average during the period)
Earnings / share, diluted	= Profit for the period / Diluted number of outstanding shares (weighted average during the period)
Equity ratio, %	= Total equity / Balance sheet total x 100
Return on equity, ROE	= Profit for the period / Total equity (average) x 100
Equity/share	= Total equity / Number of outstanding shares at the end of the period (undiluted)
Gearing, %	= (Interest bearing debt - Cash and cash equivalents) / Total equity x 100

ALTERNATIVE KEY FIGURES

Adjusted operating result	= Refers to operating result (EBIT) adjusted for the acquisition costs and allocated depreciation of acquired businesses as well as expense associated with the share-based incentive scheme pursuant to IFRS
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