

## SUPPLEMENT DOCUMENT TO ANTON HOLDING II OY'S TENDER OFFER DOCUMENT DATED 25 JULY 2022 RELATING TO THE VOLUNTARY RECOMMENDED PUBLIC CASH TENDER OFFER FOR ALL ISSUED AND OUTSTANDING SHARES AND SPECIAL RIGHTS IN AVIDLY PLC

26 August 2022

THE TENDER OFFER IS NOT BEING MADE DIRECTLY OR INDIRECTLY IN ANY JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW AND THE TENDER OFFER DOCUMENT AND RELATED ACCEPTANCE FORMS AND SUPPLEMENT DOCUMENTS ARE NOT AND MAY NOT BE DISTRIBUTED, FORWARDED OR TRANSMITTED INTO OR FROM ANY JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW BY ANY MEANS WHATSOEVER INCLUDING, WITHOUT LIMITATION, MAIL, FACSIMILE TRANSMISSION, E-MAIL OR TELEPHONE. IN PARTICULAR, THE TENDER OFFER IS NOT MADE IN AND THE TENDER OFFER DOCUMENT AND THIS SUPPLEMENT DOCUMENT MUST UNDER NO CIRCUMSTANCES BE DISTRIBUTED INTO CANADA, JAPAN, AUSTRALIA, SOUTH AFRICA, HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA OR NEW ZEALAND OR ANY OTHER JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW.

Anton Holding II Oy (the "**Offeror**"), a limited liability company which is an indirect subsidiary of Adelis Equity Partners Fund III AB, and Avidly Plc ("**Avidly**" or the "**Company**") announced on 12 July 2022 that they had entered into a combination agreement (the "**Combination Agreement**") pursuant to which the Offeror has made a voluntary recommended public cash tender offer for all issued and outstanding shares and special rights in Avidly (the "**Tender Offer**"). The Offeror has published a tender offer document, dated 25 July 2022, concerning the Tender Offer (the "**Tender Offer Document**").

The Offeror supplements the Tender Offer Document with the following information of this document (the "**Supplement Document**"):

Avidly published its unaudited half-year report for the six months ended on 30 June 2022 ("**Half-year Report**") on 26 August 2022. The Offeror supplements sections 5.9 and 5.10 of the Tender Offer Document with the Half-year Report, which is added as Appendix E to the Tender Offer Document.

The last paragraph of section 5.9 shall be amended to read as follows (amendments **bolded and underlined**):

"In addition, the unaudited business review of Avidly for the three months ended 31 March 2022 is appended to this Tender Offer Document in the form published by Avidly. See "*Appendix C – Financial Information of the Company*". **In addition, the unaudited half-year report of Avidly for the six months ended on 30 June 2022 is appended to this Tender Offer Document in the form published by Avidly. See "*Appendix E - Half-year Report Published by Avidly on 26 August 2022*".**"

Section 5.10 shall be amended to read as follows (amendments **bolded and underlined**):

"The future prospects of the Company have been described in the unaudited **half-year report of the Company for the six months ended on 30 June 2022. See "*Appendix E - Half-year Report Published by Avidly on 26 August 2022*".**"

In addition to the above, the table of contents and the list of appendices included in section 7 of the Tender Offer Document are supplemented to reflect that the Half-Year Report has been added as Appendix E to the Tender Offer Document.

The Finnish language versions of the Tender Offer Document and the Supplement Document will be available from 26 August 2022 onwards online at <https://investors.avidlyagency.com/adelis>. The English language translations of the Tender Offer Document and the Supplement Document will be available from 26 August 2022 onwards online at <https://investors.avidlyagency.com/en/adelis/>. In the event of any discrepancy between the two language versions of the Supplement Document, the Finnish language version shall prevail.

The Supplement Document has not been approved by the Finnish Financial Supervisory Authority (the "**FFSA**"). Under the Finnish Securities Market Act (746/2012, as amended), the FFSA's approval is not sought for a tender offer document and supplement documents regarding shares traded on a multilateral trading facility.

### Information for Securityholders in the United States

Securityholders in the United States are advised that the shares and special rights in the Company are not listed on a U.S. securities exchange and that the Company is not subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and is not required to, and does not, file any reports with the U.S. Securities and Exchange Commission (the "**SEC**") thereunder.

The Tender Offer is made for the issued and outstanding shares and special rights in the Company, which is domiciled in Finland, and is subject to Finnish disclosure and procedural requirements. The Tender Offer is made in the United States

pursuant to Section 14(e) and Regulation 14E under the Exchange Act (taking into account certain relief available thereunder), and otherwise in accordance with the disclosure and procedural requirements of Finnish law, including with respect to the Tender Offer timetable, settlement procedures, withdrawal, waiver of conditions and timing of payments, which are different from those applicable under United States tender offer rules and regulations. The financial statements and financial information included in the Tender Offer Document and this Supplement Document have been prepared in accordance with applicable accounting standards in Finland, which may not be comparable to the financial statements or financial information of U.S. companies. The Tender Offer is made to the Company's securityholders resident in the United States on the same terms and conditions as those made to all other securityholders of the Company to whom an offer is made.

To the extent permissible under applicable law and regulations (including Rule 14e-5 under the Exchange Act), the Offeror and its affiliates and their respective nominees or brokers (acting as agents for the Offeror or its affiliates, as applicable) may from time to time and during the pendency of the Tender Offer, and other than pursuant to the Tender Offer, directly or indirectly, purchase or arrange to purchase, the shares in the Company or any securities that are convertible into, exchangeable for or exercisable for such shares. Any such purchases or arrangements to purchase may occur in the open market at prevailing prices or in private transactions at negotiated prices. To the extent information about any such purchases or arrangements to purchase is made public in Finland, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. securityholders of the Company of such information. In addition, the financial advisers to the Offeror may also engage in ordinary course trading activities in securities of the Company, which may include purchases or arrangements to purchase such securities. To the extent required in Finland, any information about any such purchases or arrangements to purchase will be made public in Finland in the manner required by Finnish law.

Neither the SEC nor any U.S. state securities commission has approved or disapproved the Tender Offer, passed upon the merits or fairness of the Tender Offer, or passed any comment upon the adequacy, accuracy or completeness of the Tender Offer Document or this Supplement Document. Any representation to the contrary is a criminal offence in the United States.

The receipt of cash pursuant to the Tender Offer by a U.S. holder of shares or special rights in the Company may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each holder of shares and special rights in the Company is urged to consult its independent professional adviser immediately regarding the tax consequences of accepting the Tender Offer.

It may be difficult for the Company's U.S. securityholders to enforce their rights and any claims they may have arising under the U.S. federal securities laws against the Offeror or the Company, since the Offeror and the Company are located in non-U.S. jurisdictions, and some or all of their respective officers and directors may be residents of non-U.S. jurisdictions. In addition, all or most of the assets of the Offeror and the Company, respectively, are located outside the United States. The Company's securityholders may not be able to sue the Offeror or the Company or their respective officers or directors in a non-U.S. court for violations of the U.S. federal securities laws. It may be difficult to compel the Offeror, the Company or their respective affiliates to subject themselves to a U.S. court's judgment.

#### **Information for Securityholders in the United Kingdom**

THE TENDER OFFER DOCUMENT, THIS SUPPLEMENT DOCUMENT AND ANY OTHER DOCUMENTS OR MATERIALS RELATING TO THE TENDER OFFER ARE NOT BEING MADE AND HAVE NOT BEEN APPROVED BY AN AUTHORISED PERSON FOR THE PURPOSES OF SECTION 21 OF THE UK FINANCIAL SERVICES AND MARKETS ACT 2000 (THE "**FSMA**"). ACCORDINGLY, THE TENDER OFFER DOCUMENT, THIS SUPPLEMENT DOCUMENT AND ANY OTHER DOCUMENTS OR MATERIALS RELATING TO THE TENDER OFFER ARE NOT BEING DISTRIBUTED TO, AND MUST NOT BE PASSED ON TO, THE GENERAL PUBLIC IN THE UNITED KINGDOM. THE COMMUNICATION OF THE TENDER OFFER DOCUMENT, THIS SUPPLEMENT DOCUMENT AND ANY OTHER DOCUMENTS OR MATERIALS RELATING TO THE TENDER OFFER IS EXEMPT FROM THE RESTRICTION ON FINANCIAL PROMOTIONS UNDER SECTION 21 OF THE FSMA ON THE BASIS THAT IT IS A COMMUNICATION BY OR ON BEHALF OF A BODY CORPORATE WHICH RELATES TO A TRANSACTION TO ACQUIRE DAY TO DAY CONTROL OF THE AFFAIRS OF A BODY CORPORATE; OR TO ACQUIRE 50 PER CENT. OR MORE OF THE VOTING SHARES IN A BODY CORPORATE, WITHIN ARTICLE 62 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005.

#### **Forward-looking Statements**

This Supplement Document contains statements that, to the extent they are not historical facts, constitute "forward-looking statements". Forward-looking statements include statements concerning plans, expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position, future operations and development, business strategy and the trends in the industries and the political and legal environment and other information that is not historical information. In some instances, they can be identified by the use of forward-looking terminology, including the terms "believes", "intends", "may", "will" or "should" or, in each case, their negative or variations on comparable terminology. By their very nature, forward-looking statements involve inherent risks, uncertainties and assumptions, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. Given these risks, uncertainties and assumptions, investors are cautioned not to place undue

reliance on such forward-looking statements. Any forward-looking statements contained herein speak only as at the date of this Supplement Document.

**APPENDIX E – HALF-YEAR REPORT PUBLISHED BY AVIDLY ON 26 AUGUST 2022**



*26 August 2022 at 08:30 (EET)*

# H1 REPORT

*1 January–30 June 2022*

*unaudited*

**AWIDLY**



# AVIDLY PLC, H1 REPORT, 26 AUGUST 2022 AT 08:30 (EET)

Revenue increased by 15.9%, gross profit was up by 16.5% and operating result was 0.9 million euros (-0.1 million euros).

## APRIL-JUNE 2022

- Revenue was 9,095 thousand euros (8,095 thousand), an increase of 12.4%.<sup>1</sup>
  - Other countries segment's portion of revenue was 33.8% (22.8%).
- Gross profit totaled 6,671 thousand euros (5,800 thousand), an increase of 15.0%.
  - Other countries segment's portion of gross profit was 40.4% (27.6%).
  - Continuous services accounted for approximately 50% (49%) of gross profit.
- The Group's operating result increased to 496 thousand euros (-103 thousand).
- Adjusted operating result<sup>2</sup> was 202 thousand euros (347 thousand), or 2.2% of revenue (4.3%).

## JANUARY-JUNE 2022

- Revenue was 17,661 thousand euros (15,238 thousand), an increase of 15.9%.
  - Other countries segment's portion of revenue was 33.6% (22.6%).
- Gross profit was 13,181 thousand euros (11,314 thousand), an increase of 16.5%.
  - Other countries segment's portion of gross profit was 38.8% (26.7%).
  - Continuous services accounted for approximately 49% (45%) of gross profit.
- EBITDA was 1,948 thousand euros (716 thousand), an increase of 172.1%.

- The Group's operating result was 909 thousand euros (-104 thousand).
- Adjusted operating result totaled 797 thousand euros (816 thousand), or 4.5% of revenue (5.4%).
- Profit for the period was 674 thousand euros (-230 thousand), or 3.8% of revenue (-1.5%).
- Earnings per share was 0.13 euros (-0.04).
- Cash flow from operations was 388 thousand euros (873 thousand).

## OUTLOOK FOR 2022 UNCHANGED (PUBLISHED ON 4 MARCH 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:

Our H1 revenue grew by 15.9 percent year-on-year to 17,661 thousand euros. Growth was rapid especially in international business, while growth slowed down in Finland. International growth was boosted in particular by the acquisition of Digital 22 Online at the beginning of the year. Organic growth accounted for 8 percent of the entire group's revenue growth.

The gross profit, which measures the volume of our own operations, was up by 16.5 percent to 13,181 thousand euros in H1. Our operating result was 909 thousand euros (-104), and the adjusted operating result describing the operational performance of our operations was 797 thousand euros (816), or 4.5% of turnover (5.4%).

In Q2, the profitability of the period was weakened by one-off costs, which were related to, among other things, change negotiations held in Finland, the advisory costs of the public cash tender offer announced in July, and the company's internal event, where the entire personnel was brought together for the first time after the Covid-19 pandemic and the Digital 22 Online acquisition. The majority of these non-recurring expenses were directed to the business operations in Finland.

The demand for digital services that accelerate sales and marketing automation is still strong in our customer base. The demand for media advertising

stabilised in Finland at the end of spring, which was reflected to some extent in our Finnish operations. Our customers' decision-making times have also increased. Overall, the market environment developed as expected. New customers in the second quarter included, among others, Kouvolan Yrityspalvelutalo in Finland, Asolvi and Columbus Global in Norway/Sweden and Storegga in UK/Canada.

During Q2, we continued the development of our business processes and the work we launched earlier in the spring to identify material corporate responsibility topics related to Avidly's business. In accordance with our growth strategy, we constantly seek new growth

and partnership opportunities within the Martech ecosystem and pilot new collaboration models. We continue step by step towards the profitability goals set.

We also actively monitor changes in our operating environment. So far, the impacts of Russia's attack on Ukraine or price inflation have not been significantly reflected in the demand for our services, but the situation of our customers may change rapidly. At the moment, however, our outlook for the latter part of the year is stable and our forecast for the whole year's development remains unchanged.



## KEY FIGURES

EUR 1,000	1-6 2022	1-6 2021	Change, %	1-12 2021
Revenue	17,661	15,238	15.9%	29,972
Other countries segment's portion of revenue	5,926	3,440	72.3%	7,099
Gross profit	13,181	11,314	16.5%	21,596
Other countries segment's portion of gross profit	5,113	3,022	69.2%	5,953
Continuous services of gross profit	49%	45%		47%
EBITDA	1,948	716	172.1%	1,625
Operating result (EBIT)	909	-104	974.0%	-57
EBITA*	1,134	-9	12,700.0%	121
Adjusted operating result**	797	816	-2.3%	1,074
Profit before taxes	783	-222	452.7%	-269
Personnel, average	291	233	24.9%	237
Earnings/share, EUR	0.13	-0.04	389.8%	-0.04
Earnings/share, diluted, EUR	0.12	-0.04	404.6%	-0.04
Equity ratio, %	43.98%	44.60%		48.14%
ROE, %	6.23%	-2.28%		-2.13%
Equity/share, EUR	2.06	1.97	4.7%	2.02
Gearing, %	14.83%	10.44%		6.22%
Number of outstanding shares, weighted average during the period	5,328,037	5,279,531		5,279,531
Number of outstanding shares, at the end of the period	5,339,537	5,279,531		5,279,531
Number of outstanding shares adjusted for dilution, weighted average during the period***	5,558,377	5,789,711		5,702,591

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

\*\* 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.

\*\*\* 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.

## RECONCILIATION STATEMENT FOR ADJUSTED OPERATING RESULT:

EUR 1,000	1-6 2022	1-6 2021	1-12 2021
<b>ADJUSTED OPERATING RESULT</b>			
Operating Result	909	-104	-57
Depreciations and impairments on acquisitions	225	95	178
Adjusted Operating Result (EBITA)*	1,134	-9	121
Acquisition costs	173	0	0
Expenses associated with the share-based incentive scheme pursuant to IFRS	-510	825	953
Adjusted Operating Result**	797	816	1,074



## SIGNIFICANT EVENTS DURING JANUARY–JUNE 2022

### 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. The transaction was completed on 12 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.

The acquisition expands Avidly's operations into new markets in the UK and Canada and strengthens its position as the global leading sales and marketing partner for the world's leading marketing automation system HubSpot.

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

## FINANCIAL DEVELOPMENT

### Revenue

In January–June 2022, Avidly's revenue increased by 2.8% in Finland and by 72.3% in other countries. The Group's revenue, taking into account group eliminations and unallocated items, increased by 15.9% to 17,661 thousand euros (15,238 thousand).

Growth was rapid especially in international business, while growth slowed down in Finland. International growth was boosted in particular by the acquisition of Digital 22 Online at the beginning of the year.

### REVENUE BY SEGMENT

EUR 1,000	1-6 2022	1-6 2021	Change, %	1-12 2021
Finland	12,498	12,162	2.8%	23,672
Other countries	5,926	3,440	72.3%	7,099
Group eliminations and unallocated	-763	-364	109.6%	-799
<b>Avidly Group, total</b>	<b>17,661</b>	<b>15,238</b>	<b>15.9%</b>	<b>29,972</b>

### Gross profit

Avidly's gross profit was flat (growth +0.6%) year-on-year in Finland and increased by 69.2% in other countries. The Group's gross profit, taking into account group eliminations and unallocated items, increased by 16.5% to 13,181 thousand euros (11,314 thousand). The faster growth in gross profit than in revenue was due to a decrease in the relative share of pass-through invoiced media advertising and subcontracting from the comparison period. Continuous services accounted for approximately 49% (45%) of gross margin.

### GROSS PROFIT BY SEGMENT

EUR 1,000	1-6 2022	1-6 2021	Change, %	1-12 2021
Finland	8,482	8,431	0.6%	15,936
Other countries	5,113	3,022	69.2%	5,953
Group eliminations and unallocated	-414	-139	197.8%	-293
<b>Avidly Group, total</b>	<b>13,181</b>	<b>11,314</b>	<b>16.5%</b>	<b>21,596</b>

### Financial result

Employee benefit expenses increased by 1.7% year-on-year to 9,083 thousand euros (8,927 thousand). A total of -510 thousand euros (825) 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 in the first half of the year. Without this technical cost, the increase in employee benefit expenses would have been 18.4%, against the 24.9% growth in the average number of employees.

The expenses also included one-offs related to, among other things, the change negotiations held in Finland in April, the advisory costs of the public cash tender offer announced in July, and the company's internal event, where the entire personnel was brought together for the first time after the corona pandemic and the Digital 22 Online acquisition. The majority of these non-recurring expenses were directed to the business operations in Finland.



The Group's EBITDA increased by 172.1% from the comparison period and was 1,948 thousand euros (716 thousand), or 11.0% of revenue (4.7%).

Avidly's operating result improved to 909 thousand euros (-104 thousand). Operating result accounted for 5.1% of revenue (-0.7%) and for 6.9% (-0.9%) of gross profit. Adjusted operating result (EBITA = operating result (EBIT) + allocated depreciation and impairment of acquired businesses) increased to 1,134 thousand euros (-9 thousand), or 6.4% of revenue (-0.1%). Taking into account the IFRS-related expenses related to the management share-based incentive plan, the adjusted operating result decreased slightly to 797 thousand euros (816 thousand).

#### OPERATING RESULT BY SEGMENT

EUR 1,000	1-6 2022	1-6 2021	Change, %	1-12 2021
Finland	119	701	-83.0%	1,030
Other countries	486	22	2,109.1%	-132
Group eliminations and unallocated	304	-827	136.8%	-955
<b>Avidly Group, total</b>	<b>909</b>	<b>-104</b>	<b>974.0%</b>	<b>-57</b>

#### ADJUSTED OPERATING RESULT\* BY SEGMENT

EUR 1,000	1-6 2022	1-6 2021	Change, %	1-12 2021
Finland	141	734	-80.8%	1,084
Other countries	657	84	682.1%	-8
Group eliminations and unallocated	-1	-2	-50.0%	-2
<b>Avidly Group, total</b>	<b>797</b>	<b>816</b>	<b>-2.3%</b>	<b>1,074</b>

\* 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 30 June 2022, Avidly's balance sheet total was 25,011 thousand euros (23,305 thousand).

The goodwill on the balance sheet amounted to 11,672 thousand euros at the end of the review period (7,676 thousand). The increase in goodwill is related to the Digital 22 Online acquisition that was completed in January 2022. 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 360 (601) thousand euros due to result of the review period adjusted with expenses associated with the share-based incentive scheme pursuant to IFRS, share issue related to Digital 22 Online acquisition as well as the costs of acquiring own shares in January 2022. At the end of June, the company's equity was 11,001 thousand euros (10,641 thousand euros on 31 Dec 2021 and 10,393 thousand euros on 30 June 2021). The equity ratio on 30 June 2022 was 43.98% (44.60%). Equity per share was 2.06 euros (1.97).

#### ASSETS BY SEGMENT

EUR 1,000	30 Jun 2022	30 Jun 2021	Change, %	31 Dec 2021
Finland	15,996	18,568	-13.9%	19,569
Other countries	9,892	6,183	60.0%	4,415
Group eliminations and unallocated	-877	-1,446	-39.3%	-1,879
<b>Avidly Group, total</b>	<b>25,011</b>	<b>23,305</b>	<b>7.3%</b>	<b>22,105</b>

#### LIABILITIES BY SEGMENT

EUR 1,000	30 Jun 2022	30 Jun 2021	Change, %	31 Dec 2021
Finland	7,721	10,636	-27.4%	9,107
Other countries	7,165	3,720	92.6%	4,234
Group eliminations and unallocated	-876	-1,444	-39.3%	-1,877
<b>Avidly Group, total</b>	<b>14,010</b>	<b>12,912</b>	<b>8.5%</b>	<b>11,464</b>



The Group's cash flow from operating activities was EUR 388 thousand euros (873 thousand).

Cash flow from financing was -1,417 thousand euros (-1,476 thousand).

The Group's interest-bearing debt on 30 June 2022 was 4,911 thousand euros (6,592 thousand) and the gearing was 14.8% (10.4%).

## INVESTMENTS AND R&D EXPENSES

Avidly's cash flow from investments during the review period totaled -726 thousand euros (-51 thousand). The sum includes Digital 22 Online acquisition.

## CHANGES IN THE GROUP STRUCTURE

As a result of the Digital 22 Online acquisition, the Group has new subsidiaries located in the UK and Canada. There were no other changes in Avidly's group structure during the review period.

## PERSONNEL

The Group employed an average of 291 (233) people during the review period. The number of personnel at the end of June was 294 (242). The number of personnel

increased following the Digital 22 acquisition and growth recruitments.

## PARENT COMPANY

In H1 2022, the Group's parent company Avidly Plc's revenue totalled 10,583 thousand euros (9,716), its operating profit was -26 thousand euros (70) and result for the period was -6 thousand (-17).

At the end of June, the Parent Company's balance sheet total was 25,699 thousand euros (21,316) and equity was 13,516 thousand euros (12,844). Its equity ratio was 52.6% (60.3%).

## RESOLUTIONS OF THE ANNUAL GENERAL MEETING

Avidly's annual general meeting (AGM) was held in Helsinki, Finland, on 30 March 2022. The AGM adopted the 2021 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 2021 shall be transferred to an account for profit/loss and that no dividend shall be paid from the distributable funds.

The general meeting resolved that four members shall be elected to the Board of Directors of Avidly Plc for the incoming term. In addition, the general meeting resolved that the remuneration for the Chair of the Board shall be EUR 4,000 per month and for the deputy Chair of the Board of Directors EUR 3,000 and for each of the other members of the Board EUR 2,000 per month. The remuneration shall be paid monthly for those months the person acts as a member or the Chair or Vice Chair of the Board. The travel expenses of members of the Board shall be compensated in accordance with Avidly Plc's travel policy. Other allowances shall not be paid.

The AGM re-elected Åsa Arvidsson, 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. At its organising meeting, the Board elected Joakim Fagerbakk as the Chair of the Board and Juha Mikkola as the Vice Chair of the Board.

The general meeting resolved, according to the proposal of the Board of Directors that the auditor's remuneration and reimbursements shall be paid as reasonably invoiced and approved by Avidly Plc. The AGM elected Jari Paloniemi, Authorised Public Accountant, as the Auditor and Veikko Terho, Authorised Public Accountant, as the Deputy Auditor of Avidly Plc.

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

## SHARES 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 H1 2022, a total of 878,657 (987,297) Avidly shares were traded, representing approximately 16% (19%) 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 3.72 euros (5.84). The highest quoted price during the period was 5.24 euros (6.70) and the lowest was 3.42 euros (3.68). The market value of Avidly Plc's outstanding shares at the end of June was 19.9 million euros (30.8).

### Share capital, number of shares and share ownership

On 1 January 2022, the number of Avidly Plc shares was 5,290,004, of which 5,279,531 were outstanding, and the share capital was 322 thousand euros. The number of Avidly Plc shares increased during the review period by 79,656 shares following a share issue directed to the sellers of the Digital 22 Online Limited. After the registration the total amount of Avidly's shares is 5,369,660, of which 5,339,537 were outstanding at the end of June. The number of shareholders totalled 1,664 (1,326) at the end of June.

The average number of shares during the review period was 5,328,037 (5,279,531).



At the end of June, the direct and indirect ownership (through control and influence) of the members of the Board of Directors and the CEO totaled approximately 8% (8%).

### **Treasury shares**

During the time period from 3 January 2022 to 7 January 2022 the company has purchased, through trading on the Nasdaq First North Growth Market Finland marketplace maintained by Nasdaq Helsinki, a total amount of 19,650 company's own shares. Average price per share was approximately EUR 5,0860 and the total purchase price paid for the shares was EUR 99,938.97.

The company did not sell its own shares during the review period. At the end of June 2022, the company held 30,123 of its own shares, which corresponds to approximately 0.56 percent of all the company's shares.

### **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?news=8E2D744038CA3018](https://investors.avidlyagency.com/en/company-news?news=8E2D744038CA3018)

After the review period in July, Anton Holding II Oy announced a voluntary public cash tender offer for all issued and outstanding shares and special rights in Avidly Plc, which includes also the rights granted based on the long-term share-based incentive scheme.

### **Share authorisations**

#### **Authorisation to acquire company's own shares**

The AGM, held on 30 April 2020, 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 536,960 shares, corresponding to approximately a maximum of 10 per cent 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 marketplace 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 2023. Avidly did not repurchase any of its own shares during the review period under this authorisation.

#### **Authorisation to resolve one or more share issues without payment and/or share issues against payment**

The 2022 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 amount 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 1,800,000 shares. The amount corresponds to approximately a maximum of 25 percent 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 that are 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 option or other special rights set out in the Finnish Limited Liability Companies Act Chapter 10 Section 1. The authorisation is valid until 30 June 2023. The Avidly Board of Directors did not use this authorisation during the review period.

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?news=8E2D744038CA3018](https://investors.avidlyagency.com/en/company-news?news=8E2D744038CA3018)



## COMPANY MANAGEMENT

Ville Himberg was appointed as Avidly Plc's Chief Operating Officer (COO) and a member of the management team as of 1 March 1, 2022.

Avidly Plc's vice president, strategy director and member of the management team Ismo Nikkola left his position on 30 June 2022 to join another company.

Jufo Peltomaa, a member of Avidly Plc's management team and the Group's Chief Creative Officer, announced on 17 June 2022 that he will leave his position on 14 August 2022 to join another company.

The other members of Avidly's management team have taken over the tasks left by both Nikkola and Peltomaa.

## 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.

A possible fourth wave of the coronavirus pandemic in the countries in which Avidly operates could affect our customers' conditions for business and the demand for our services, and this change has the potential to be relatively quick. We monitor the impacts of the pandemic on our customers' business and our demand outlook and, if necessary, will adjust our operations to match demand.

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.

## EVENTS AFTER THE REVIEW PERIOD

### Adelis' public cash tender offer for all shares and special rights in Avidly Plc

On 12 July, Adelis, a highly active private equity investor in the technology services sector, announced that it will make a voluntary public cash tender offer for all issued and outstanding shares and special rights in Avidly Plc recommended by the Board of Directors of Avidly Plc. The offeror will be Anton Holding II Oy, which is an indirect subsidiary of Adelis Equity Partners Fund III AB.

On 22 July, Avidly announced that the Board of Directors of the Company has decided to issue the statement below regarding the Tender Offer in accordance with Chapter 11, Section 13 of the Finnish Securities Markets Act (746/2012, as amended). The statement of the Board of Directors is available as an attachment in the stock exchange release published on 22 July 2022.

On 25 July Avidly announced that Anton Holding II Oy commences the voluntary recommended public cash tender offer for all issued and outstanding shares and special rights in Avidly that are not held by Avidly or any of its subsidiaries. The tender offer document relating to the Tender Offer has been is available in electronic format from 25 July 2022 onwards online in Finnish at [investors.avidlyagency.com/adelis](https://investors.avidlyagency.com/adelis) and in English at [investors.avidlyagency.com/en/adelis](https://investors.avidlyagency.com/en/adelis).

The offer period for the Tender Offer commenced on 25 July 2022, at 9:30 a.m. (Finnish time) and it will expire on 2 September 2022 at 4:00 p.m. (Finnish time), unless the Offer Period is extended or discontinued by the Offeror in accordance with the terms and conditions of the Tender Offer and applicable laws. The Tender Offer is currently expected to be completed during the third quarter of 2022.

All releases and materials related to the tender offer are available in Finnish at [investors.avidlyagency.com/adelis](https://investors.avidlyagency.com/adelis) and in English at [investors.avidlyagency.com/en/adelis](https://investors.avidlyagency.com/en/adelis).

### Amendment to the additional purchase price relating to the Digital 22 Online Limited acquisition

On 12 July, following the voluntary public tender offer by Adelis, Avidly announced, that it has agreed with the sellers of the shares of Digital 22 Online Limited that Avidly would make a one-time payment of EUR 1,818,000 in cash to the sellers and therefore the sellers' right to additional purchase price in accordance with the original acquisition agreement would terminate. This agreement on the one-time payment of the additional purchase price is conditional upon completion of the public tender offer made by Anton Holding II Oy for the shares and special rights of Avidly.

According to the original acquisition agreement announced on 21 December 2021, Avidly would pay the sellers of Digital 22 Online Limited an additional purchase price of up to EUR 4,903,530 in total in 2024



and 2025 in two tranches, provided that the conditions set for the additional purchase price are met. The additional purchase price, if any, would be paid with a combination of cash and Avidly's shares, with the cash consideration amounting to at least 55% of the total additional purchase price.

#### **Avidly combined operations in Scandinavia**

Avidly in Denmark, Norway and Sweden merged in August into one unit to strengthen customer deliveries in the three countries. Earlier, Denmark has operated as an independent operational unit and Sweden/Norway as another independent unit. The aim is to have a larger and more effective delivery organization, where we can more easily utilize specialist competencies across borders. The new Avidly Scandinavia unit will be reported under Avidly's international operations together with Germany, UK, and Canada in the Group's financial reporting.

## **FINANCIAL INFORMATION**

Avidly will publish its business review for the period 1 January–30 September 2022 on Friday 28 October 2022.

In Helsinki, 26 August 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](https://investors.avidlyagency.com/en)



## PRINCIPLES FOR PREPARING THE HALF-YEAR REPORT

The interim report has been prepared in accordance with the recognition and measurement principles of the IFRS standards. The accounting policies are set out on the company's website at [investors.avidlyagency.com/en](https://investors.avidlyagency.com/en)

The interim report has been prepared in accordance with IAS 34 (Interim Financial Reporting) in accordance with the accounting principles and calculation methods published in the 2021 financial statements. Figures shown are rounded to the nearest whole number. The half-year figures are unaudited and in IFRS format.

## CONSOLIDATED INCOME STATEMENT, IFRS

EUR 1,000	1-6 2022	1-6 2021	1-12 2021
<b>REVENUE</b>	<b>17,661</b>	<b>15,238</b>	<b>29,972</b>
Other operating income	33	80	86
Materials and services	-4,512	-4,004	-8,462
Employee benefit expenses	-9,083	-8,927	-16,600
Depreciation and amortization	-1,039	-820	-1,683
Other operating expenses	-2,150	-1,669	-3,371
<b>OPERATING RESULT</b>	<b>909</b>	<b>-104</b>	<b>-57</b>
Financial income and expenses	-126	-118	-212
<b>RESULT BEFORE TAX</b>	<b>783</b>	<b>-222</b>	<b>-269</b>
Income taxes	-109	-9	51
<b>Result for the period</b>	<b>674</b>	<b>-230</b>	<b>-218</b>
<b>Attributable to:</b>			
Parent company shareholders	674	-230	-218
Minority shareholders	0	0	0
<b>Earnings per share calculated from profit attributable to parent company shareholders, EUR:</b>			
Undiluted	0.13	-0.04	-0.04
Diluted	0.12	-0.04	-0.04

EUR 1,000	1-6 2022	1-6 2021	1-12 2021
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, EUR 1,000</b>			
Result for the period	674	-230	-218
Items that may be reclassified to profit or loss in subsequent periods			
Translation differences	-96	6	114
<b>Total comprehensive result for the period</b>	<b>578</b>	<b>-224</b>	<b>-104</b>
<b>Total comprehensive income attributable to:</b>			
Parent company shareholders	578	-224	-104
Minority shareholders	0	0	0



## CONSOLIDATED BALANCE SHEET, IFRS

EUR 1,000	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
<b>ASSETS</b>			
Non-current assets			
Intangible rights	804	441	387
Goodwill	11,672	7,676	7,687
Buildings	1,862	2,120	1,998
Machinery and equipment	791	945	762
Other tangible assets	-	108	20
Investments in associated companies	315	315	315
Deferred tax assets	373	500	443
<b>Total non-current assets</b>	<b>15,817</b>	<b>12,105</b>	<b>11,612</b>
Current assets			
Work in process	649	732	584
Accounts receivables	3,305	3,417	3,163
Deferred tax assets	373	388	436
Other receivables	623	410	480
Prepayments and accrued income	964	746	796
Cash and cash equivalents	3,280	5,507	5,034
<b>Total current assets</b>	<b>9,194</b>	<b>11,200</b>	<b>10,493</b>
<b>TOTAL ASSETS</b>	<b>25,011</b>	<b>23,305</b>	<b>22,105</b>

EUR 1,000	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
<b>EQUITY AND LIABILITIES</b>			
Equity			
Share capital	322	322	322
Invested unrestricted equity fund	12,951	12,659	12,659
Retained earnings	-2,272	-2,588	-2,340
<b>Total equity</b>	<b>11,001</b>	<b>10,393</b>	<b>10,641</b>
Non-current liabilities			
Financial liabilities	1,884	3,574	2,907
Additional purchase price liability	3,347	-	-
Deferred tax liabilities	306	270	171
<b>Total non-current liabilities</b>	<b>5,537</b>	<b>3,844</b>	<b>3,078</b>
Current liabilities			
Financial liabilities	3,027	3,018	2,789
Received advances	275	240	560
Accounts payable	1,026	1,503	1,166
Other liabilities	1,342	1,816	1,898
Accrued expenses and deferred income	2,803	2,491	1,973
<b>Total current liabilities</b>	<b>8,473</b>	<b>9,068</b>	<b>8,386</b>
<b>Total liabilities</b>	<b>14,010</b>	<b>12,912</b>	<b>11,464</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>25,011</b>	<b>23,305</b>	<b>22,105</b>



## CONSOLIDATED CASH FLOW STATEMENT, IFRS

EUR 1,000	1-6 2022	1-6 2021
<b>Cash flow from operations</b>		
Operating result	909	-104
Adjustments to operating result	561	1,645
Change in working capital	-922	-554
Received financial income	13	22
Financial expenses paid	-112	-127
Taxes paid	-61	-9
<b>Cash flow from operations</b>	<b>388</b>	<b>873</b>
<b>Cash flow from investments</b>		
Investments in tangible and intangible assets	-68	-51
Business acquisitions	-658	-
<b>Cash flow from investments</b>	<b>-726</b>	<b>-51</b>

EUR 1,000	1-6 2022	1-6 2021
<b>Cash flow from financing</b>		
Changes in loans	-504	-770
Purchase of treasury shares	-100	-
Financial lease payments	-813	-706
<b>Cash flow from financing</b>	<b>-1,417</b>	<b>-1,476</b>
<b>Total cash flows</b>	<b>-1,754</b>	<b>-654</b>
Changes in cash and cash equivalents	-1,754	-654
Cash and cash equivalents at 1 Jan	5,034	6,161
Cash and cash equivalents at 30 June	3,280	5,507



## CHANGES IN CONSOLIDATED EQUITY, IFRS

EUR 1,000	Share capital	Invested unrestricted equity fund	Retained earnings	Total
<b>Equity at 1 January 2021</b>	<b>322</b>	<b>12,659</b>	<b>-3,189</b>	<b>9,792</b>
Share issue			825	825
Translation difference			6	6
Profit for the period			-230	-230
<b>Equity at 30 June 2021</b>	<b>322</b>	<b>12,659</b>	<b>-2,588</b>	<b>10,393</b>

EUR 1,000

EUR 1,000	Share capital	Invested unrestricted equity fund	Retained earnings	Total
<b>Equity at 1 January 2022</b>	<b>322</b>	<b>12,659</b>	<b>-2,340</b>	<b>10,641</b>
Share issue		392		392
Repurchase of own shares		-100		-100
Share-based incentive program			-510	-510
Translation difference			-96	-96
Profit for the period			674	674
<b>Equity at 30 June 2022</b>	<b>322</b>	<b>12,951</b>	<b>-2,272</b>	<b>11,001</b>



## CONTINGENT LIABILITIES

Guarantees given on own behalf

EUR 1,000	Jun 30, 2022	Jun 30, 2021
Corporate mortgages	4,600	4,600
<b>Total</b>	<b>4,600</b>	<b>4,600</b>



## 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

**AVIDLY**

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