



**Administer Plc**  
**Listing on the First North Growth Market Finland marketplace**  
**Share Issue of approximately EUR 11 million**  
**Share Sale of a maximum of 1,900,890 Sale Shares**  
**Subscription Price of EUR 4.86 per Offer Share**

This offering circular (the “**Offering Circular**”) has been prepared in connection with the Offering (as defined below) of Administer Plc, a public limited liability company incorporated in Finland (“**Administer**” or the “**Company**”). In the Offering, the Company aims to raise gross proceeds of approximately a maximum of EUR 11 million by offering preliminarily a maximum of 2,264,110 new shares in the Company (the “**New Shares**”) for subscription (the “**Share Issue**”). In addition, the Company’s existing shareholder Bocap SME Achievers Fund II Ky (the “**Selling Shareholder**”) offers for purchase preliminarily a maximum of 1,900,890 existing shares in the Company (the “**Sale Shares**”), and together with the New Shares, the “**Offer Shares**”) (the “**Share Sale**”, and together with the Share Issue, the “**Offering**”).

The Offering consists of (i) a public offering to private individuals and entities in Finland (the “**Public Offering**”), (ii) to institutional investors in Finland and in private placements internationally (the “**Institutional Offering**”), as well as (iii) a personnel offering to the personnel employed by the Company, its group companies or affiliated companies during the subscription period in Finland, and the members of the Board of Directors and of the Management Team of the Company, its group companies or affiliated companies in Finland (the “**Personnel Offering**”). The subscription price for the Public Offering and the Institutional Offering is EUR 4.86 per Offer Share (the “**Subscription Price**”). In the Personnel Offering, the subscription price is 10 percent lower than the Subscription Price, i.e. EUR 4.38 per Offer Share (the “**Subscription Price for the Personnel Offering**”).

Evli Bank Plc (“**Evli**”) has been appointed to act as lead manager (the “**Lead Manager**”) and certified adviser referred to in the First North Growth Market Rulebook. In addition, the Company has appointed Nordnet Bank AB (“**Nordnet**”) as a subscription place in the Public Offering, in addition to which Nordnet also accepts subscriptions in the Institutional Offering. In connection with the Offering, the Company is expected to give Evli, who is acting as the Lead Manager, the right to increase the number of Offer Shares by a maximum of 620,000 New Shares solely to cover possible oversubscription situations in connection with the Offering (the “**Over-allotment Option**”).

The subscription period for the Offering will commence on 7 December 2021 at 10:00 a.m. (Finnish time) and end on 16 December 2021 at 4:00 p.m. (Finnish time) with regard to the Public Offering and the Personnel Offering, and on 17 December 2021 at 12:00 noon (Finnish time) with regard to the Institutional Offering unless the subscription period is terminated or extended. For detailed terms and conditions of the Offering, see section “*Terms and conditions of the Offering*”.

Ilmarinen Mutual Pension Insurance Company, Elo Mutual Pension Insurance Company, Aurator Asset Management Ltd and certain other professional investors referred to in section “*Terms and Conditions of the Offering – Special Terms and Conditions Concerning the Institutional Offering*” (the “**Cornerstone Investors**”) have each, subject to certain conditions, undertaken to participate in the Offering and subscribe for shares with an aggregate amount of EUR 12.6 million.

Prior to the Offering, the Company’s shares (the “**Shares**”) have not been subject to trading on any regulated market or multilateral marketplace. The Company intends to submit a listing application to list the Shares on the multilateral Nasdaq First North Growth Market Finland marketplace (“**First North**”) maintained by the Nasdaq Helsinki Ltd (“**Nasdaq Helsinki**”) under the share trading code ”ADMIN” on or about 7 December 2021 (the “**Listing**”). Trading in the Shares on First North is expected to commence on or about 21 December 2021 provided that Nasdaq Helsinki approves the Company’s listing application.

**An investment in the Offer Shares involves risks. For more information, see “Risk Factors”.**

*Nasdaq First North Growth Market is a registered SME growth market, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) as implemented in the national legislation of Denmark, Finland and Sweden, operated by an exchange within the Nasdaq group. Issuers on Nasdaq First North Growth Market are not subject to all the same rules as issuers on a regulated main market, as defined in EU legislation (as implemented in national law). Instead, issuers on Nasdaq First North Growth Market are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in an issuer on Nasdaq First North Growth Market may therefore be higher than investing in an issuer on a regulated main market. All issuers with shares admitted to trading on Nasdaq First North Growth Market have a Certified Adviser who monitors that the rules are followed. Nasdaq Helsinki approves the application for admission to trading.*

In certain countries, such as the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore and South Africa statutory limitations may apply to the distribution of this Offering Circular. This Offering Circular or any other materials relating to the Offering shall not be distributed or disseminated in any country without complying with the laws and regulations of such country. This Offering Circular does not constitute an offer to issue or sell Shares to anyone in any such country where it would be prohibited by local laws or other regulations to offer the Shares to such person. The Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or under the securities laws of any state of the United States and, accordingly, may not be offered or sold, directly or indirectly, in or into the United States subject to certain exceptions. The Shares are being offered and sold outside the United States in compliance with Regulation S under the U.S. Securities Act.

Lead manager



Evli Bank Plc

## IMPORTANT INFORMATION

The Company has prepared a Finnish-language Prospectus (the “**Finnish Prospectus**”) in accordance with the Finnish Securities Market Act (746/2012, as amended) (the “**Securities Market Act**”), Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (as amended) (the “**Prospectus Regulation**”), Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (as amended) (Annexes 1,11 and 20), Commission Delegated Regulation (EU) 2019/979 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301, and the regulations and guidelines issued by the Finnish Financial Supervisory Authority (“**FIN-FSA**”). This Offering Circular also contains a summary referred to in Article 7 of the Prospectus Regulation. This is an English language translation of the original Finnish Prospectus and summary that corresponds to the Finnish Prospectus, with the exception of certain information directed at shareholders and investors outside Finland. The FIN-FSA, as the competent authority, has approved the Finnish Prospectus on 3 December 2021 in accordance with the Prospectus Regulation. The FIN-FSA has only approved the Finnish Prospectus to the extent that it fulfills the requirements of the Prospectus Regulation concerning completeness, comprehensibility and consistency. Investors should make their own assessment as to the suitability of investing in the securities. Approval by the FIN-FSA shall not be considered as an endorsement of the issuer that is subject of the Finnish Prospectus. The journal number of the FIN-FSA’s decision of approval is FIVA 84/02.05.04/2021. In case of any discrepancies between the original Finnish Prospectus and the English language Offering Circular, the Finnish Prospectus shall prevail.

In this Offering Circular, any reference to the “**Company**”, “**Administer**” or the “**Group**” means Administer Plc and its subsidiaries collectively, except where it is clear from the context that the term means Administer Plc or a particular subsidiary or business unit only. However, references relating to the shares and share capital or matters of corporate governance shall refer to the shares, share capital and corporate governance of Administer Plc.

In the Offering, the Company has appointed Evli Bank Plc to act as Lead Manager and certified adviser according to the First North Rulebook.

This Offering Circular has been prepared for offering the Offer Shares. Prospective investors should rely solely on the information contained in the Offering Circular, as well as their own examination into the terms of the Offering and related benefits and risks, when making an investment decision. Prospective investors should not rely on the Lead Manager or its related parties or any other third party (excluding the investor’s own advisers) in connection with any investigation in respect of the accuracy of any information contained in this Offering Circular or in making an investment decision. No person is or has been authorised to give any information or to make any representation regarding the Offering other than those contained in this Offering Circular and, if given or made, such information or representation must not be considered as having been so authorised by the Company or the Lead Manager. The Company, the Lead Manager, or any of their related parties or representatives, do not provide any assurances to any offeree, subscriber or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares they have made under the laws applicable to them.

Prospective investors should, prior to making an investment decision, carefully acquaint themselves with the entire Offering Circular. The investors should, based on their own assessment, consult their own advisers before subscribing for the Offer Shares. Investors should make an independent assessment of the legal, tax, business, financial and other consequences and risks of subscribing for or purchasing the Offer Shares.

The information in this Offering Circular was given on the date of the Offering Circular. Neither the delivery of this Offering Circular nor any offering, sale or distribution based thereon shall mean that all the information contained in this Offering Circular would be correct in the future or that no changes would have taken place in respect of the business of the Company, which may result in or have resulted in a material adverse effect on the Company’s business operations, operating result or financial position as of the date of this Offering Circular. If a significant new factor, material mistake or material inaccuracy is discovered in the Finnish Prospectus after the FIN-FSA has approved it but before the subscription period for the Offering ends and such factor, mistake or inaccuracy may affect the assessment of the securities, the Finnish Prospectus shall be supplemented in accordance with the Prospectus Regulation. Under the Prospectus Regulation, investors who have submitted their subscription commitment prior to supplementing or amending the Finnish Prospectus are entitled to withdraw their commitment within three (3) banking days from the publication of the supplement or amendment of the Finnish Prospectus. The exercise of the right of withdrawal requires that the error, omission or material new information that led to the supplementation or correction has become known before the subscription period of the Offering ends. This Offering Circular is valid until the subscription period of the Offering ends. Responsibility to supplement the Offering Circular in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Finnish Prospectus is no longer valid.

In a number of countries, in particular in United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore and South Africa, the distribution of the Offering Circular and the offer of the Offer Shares is subject to statutory restrictions such as registration, listing and listing conditions. The offering of the Offer Shares does not apply to persons in any jurisdiction where such offer would be illegal. No action has been or will be taken by the Company or the Lead Manager to permit the holding or distribution of the Offering Circular (or any other offering or disclosure materials relating to the Offering) in any jurisdiction where such distribution may result in a violation of any laws or regulations.

The Offer Shares may not be offered or sold, directly or indirectly, and this Offering Circular or any other documents or advertisements related to the Offer Shares may not be distributed or published in any jurisdiction where this would violate any laws or regulations. No action has been or will be taken by the Company or the Lead Manager to permit a public offering of the Offer Shares outside Finland. The Company and the Lead Manager require that any person who receives this Offering Circular obtain adequate information of these restrictions and comply with them. However, the Offer Shares may be offered to qualified investors in member states of the European Economic Area (the “**EEA**”) or in the United Kingdom, if any of the exceptions in the Prospectus Regulation is applicable.

The Offer Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities authority of any state of the United States. The Offer Shares may not, with certain exceptions, be offered, sold, exercised, pledged, transferred or delivered, directly or indirectly, in or into the United States. In addition to the United States, the legislation of certain other countries may restrict the distribution of this Offering Circular. This Offering Circular must not be considered an offer of securities in such country, where offering of Offer Shares would be forbidden. The Offer Shares may not be offered, sold, exercised, transferred or delivered, directly or indirectly, in or into such country.

Neither the Company nor the Lead Manager accepts any legal responsibility for persons who have obtained the Offering Circular in violation of these restrictions, irrespective of whether these persons are prospective subscribers or purchasers of the Offer Shares.

The Company reserves the right, in its sole discretion, to reject any subscription of the Offer Shares that the Company or its representatives believe may give rise to a breach or violation of any law, rule or regulation.

Investors must not construe the contents of this Offering Circular as legal, investment or tax advice. Each investor should consult such investor’s own counsel, accountant or business advisor as to legal, investment and tax advice and related matters pertaining to the Offering, if they deem it necessary.

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## SUMMARY

### Introduction and Warnings

*This summary contains all the sections required by Prospectus Regulation to be included in a summary for this type of securities and issuer. This summary should be considered as an introduction to this Offering Circular. Any decision to invest in the securities presented in this Offering Circular should be based on consideration of the Offering Circular as a whole. An investor investing in the securities can lose all or part of the invested capital. Where a claim relating to the information contained in this Offering Circular is brought before a court, the plaintiff investor might, under applicable law, have to bear the costs of translating the Offering Circular before legal proceedings are initiated. The Company assumes civil liability in respect of this summary only if it is misleading, inaccurate or inconsistent when read together with the other parts of the Offering Circular, or if it does not provide, when read together with the other parts of the Offering Circular, key information to said investors when considering whether or not to invest in the Offer Shares.*

The contact details of the issuer are as follows:

Name of the issuer: ..... Administer Plc  
Address: ..... Itämerenkatu 5, FI-00180 Helsinki, Finland  
Business ID: ..... 0593027-4  
Legal entity identifier (LEI): ..... 743700M4YLEWP2UNWG60  
ISIN Code of the Shares: ..... FI4000513411  
Trading code: ..... ADMIN

The Company will submit a listing application for the listing of the Shares to Nasdaq First North Growth Market Finland (“**First North**”). This is an English language translation of the original Finnish language prospectus (the “**Finnish Prospectus**”). The Finnish Prospectus has been approved by the FIN-FSA as the competent authority under Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) on 3 December 2021. The FIN-FSA has only approved the Finnish Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the FIN-FSA of the Finnish Prospectus shall not be considered as an endorsement of the issuer that is the subject of the Finnish Prospectus. The decision number of the approval of the Finnish Prospectus is FIVA 84/02.05.04/2021.

The contact details of the competent authority, the FIN-FSA, approving the Finnish Prospectus are as follows:

Financial Supervisory Authority  
P.O. Box 103, FI-00101 Helsinki, Finland  
Tel.: +358 9 183 51  
Email: registry@fiva.fi

### Key Information on the Issuer

#### *Who is the Issuer of the Securities?*

The legal and commercial name of the issuer is Administer Oyj (previously Administer Oy), and it is domiciled in Helsinki. The Company is registered in the Finnish Trade Register of the Finnish Patent and Registration Office (the “**Trade Register**”) under business identity code 0593027-4. The Company’s legal entity identifier (LEI) is 743700M4YLEWP2UNWG60. The Company is a public limited liability company incorporated in Finland and operating under Finnish law.

#### *General*

Administer is a Finnish Group incorporated in 1985 providing services related to financial and payroll management, consulting and software. Administer aims to renew the market for financial management services, which in the view of Administer’s management has historically been perceived as rigid and lacking innovation, by developing new technology and solutions. The Company’s management estimates that Administer is one of the largest providers of services for financial management in Finland measured by net sales, as well as Finland’s largest service provider of HR and payroll administration measured by a number of pay slips<sup>1</sup>. The Group includes a total of 22 companies, of which the most significant are the parent company Administer Oyj and Silta Oy, Adner Oy and Emce Solution Partner Oy owned directly or indirectly by the Company. In addition, the Company has shareholdings in Kuntalaskenta Oy, Yrittäjän Polku Oy and Serveria Oy, but they are not a part of the Group.

Administer’s clientele includes organisations of all sizes from small and medium-sized companies to large corporations, municipalities and cities. As on 30 November 2021, the Group employed a total of 590 employees. Administer has 21 offices in Finland, and in addition, it has offices in Stockholm in Sweden and Tallinn in Estonia.

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<sup>1</sup> The number of pay slips is based on an estimate made by Administer’s management on the basis of information received from public sources.

## Shares and Shareholdings

As of the date of this Offering Circular, the Company has twenty-two (22) shareholders. The table below sets forth the ten (10) largest shareholders of the Company:

	<u>Number of shares</u>	<u>% of shares and votes</u>
Peter Aho.....	6,880,980	60.84
Bocap SME Achievers Fund II Ky.....	1,900,890	16.81
Sijoitus Oy MC Invest Ab <sup>1)</sup> .....	1,102,620	9.75
Kimmo Herranen .....	227,820	2.01
Mats Hentzel .....	199,860	1.77
Päivi Husu .....	172,500	1.53
AB Förvaltningsfinans Del Credere .....	164,820	1.46
Emceläiset Oy.....	162,840	1.44
CreaCap Oy .....	112,500	0.99
JP Accounting Oy Ab.....	75,750	0.67
Other shareholders.....	309,420	2.74
<b>Total Company shares .....</b>	<b>11,310,000</b>	<b>100.00</b>

- 1) Rolf Backlund, the deputy member of the Board of Directors, holds 33 percent of the shares and 53.3 percent of the votes in the Company's shareholder Sijoitus Oy MC Invest Ab.

Peter Aho holds a total of 60.84 percent of the Company's shares (the "Shares") and votes as on the date of this Offering Circular. Therefore, Peter Aho has control over the Company as referred in the Company the Securities Market Act as of the date of this Offering Circular.

The Company's shareholders have entered into a shareholders' agreement concerning the Company, which will terminate upon completion of the Listing. Julianna Borsos and Kai Myllyneva have been elected as members of the Company's Board of Directors on the basis of a clause contained in the shareholders' agreement, under which the Company's shareholder Bocap SME Achievers Fund II Ky is entitled to nominate two (2) members of the Board of Directors and one (1) deputy member.

### *Key Management Personnel and Statutory Auditor*

As of the date of this Offering Circular, the Company's Board of Directors consists of the Chairman Jukka-Pekka Joensuu and ordinary members Peter Aho, Julianna Borsos, Risto Koivula and Kai Myllyneva and deputy member Rolf Backlund.

As of the date of this Offering Circular, Administer's Management Team includes the CEO Peter Aho, the CFO Johan Idman, the Strategy Director Kati Paulin, the Marketing and Communication Director Kati Lehesmaa, the Human Resource Director Outi Tenhola, the Sales Director Jussi Jaakkola, Emce Solution Partner Oy's CEO Markus Backlund, Adner Oy's CEO and Administer's CIO Jukka Iivonen, the CEO of the affiliate company Kuntalaskenta Oy Pertti Vartiamäki and Silta Oy's CEO Kimmo Herranen.

The Group's consolidated financial statements for the financial periods ended 31 December 2020, 31 December 2019 and 31 December 2018 have been audited by the audit firm Ernst & Young Oy, with authorised public accountant Timo Eerola acting as the auditor with principal responsibility. Timo Eerola is registered in the auditor register in accordance with Chapter 6, Section 9 of the Finnish Auditing Act (1141/2015, as amended). Ernst & Young Oy's address is Alvar Aallon katu 5 C, FI-00100 Helsinki, Finland. Ernst & Young Oy was appointed as the Company's auditor for the financial period ending 31 December 2021, with authorised public accountant Johanna Winqvist-Ilkka acting as the auditor with principal responsibility. Johanna Winqvist-Ilkka is registered in the auditor register in accordance with Chapter 6, Section 9 of the Finnish Auditing Act (1141/2015, as amended).

### *What is the Financial Key Information Regarding the Issuer?*

The financial information presented below has been derived from the Company's audited consolidated financial statements for the financial periods ended 31 December 2020, 31 December 2019 and 31 December 2018, as well as unaudited interim financial information for the nine months period ended 30 September 2021, including the comparative information for the nine months period ended 30 September 2020. The Company's audited consolidated financial statements and unaudited financial information have been prepared in accordance with the Finnish Accounting Standards (the "FAS").



(TEUR, unless otherwise stated)	1 Jan–30 Sep.		1 Jan–31 Dec		
	2021	2020	2020	2019	2018
	(Unaudited)		(Unaudited, unless otherwise stated)		
<b>Income statement information</b>					
Net sales .....	29,981	32,518	43,678 <sup>1)</sup>	45,285 <sup>1)</sup>	36,971 <sup>1)</sup>
EBITDA .....	1,352	2,857	4,449	2,957	1,888
EBITDA, % .....	4.5 %	8.8 %	10.2 %	6.5 %	5.1 %
Operating profit adjusted by amortization of goodwill .....	789	2,440	3,850	1,858	1,091
Operating profit adjusted by amortization of goodwill, % .....	2.6 %	7.5 %	8.8 %	4.1 %	3.0 %
Operating profit (loss) .....	-133	1,718	2,890 <sup>1)</sup>	882 <sup>1)</sup>	476 <sup>1)</sup>
Operating profit (loss), % .....	-0.4 %	5.3 %	6.6 %	1.9 %	1.3 %
Profit before appropriations and tax .....	-322	1,506	2,612 <sup>1)</sup>	574 <sup>1)</sup>	239 <sup>1)</sup>
Profit/loss for the financial period .....	-462	1,001	1,955 <sup>1)</sup>	429 <sup>1)</sup>	-5 <sup>1)</sup>
Profit adjusted by amortization of goodwill .....	460	1,723	2,915	1,405	610
Profit adjusted by amortization of goodwill, % .....	1.5 %	5.3 %	6.7 %	3.1 %	1.6 %
Return on equity, % (ROE) .....	3.4 %	13.7 %	23.1 %	6.1 %	-0.1 %
Net sales growth, % .....	-7.8 %	-	-3.5 %	22.5 %	82.7 %
<b>Balance sheet information</b>					
Total assets .....	34,909	24,915	24,706 <sup>1)</sup>	25,738 <sup>1)</sup>	25,296 <sup>1)</sup>
Total equity .....	19,271	8,717	9,455 <sup>1)</sup>	7,492 <sup>1)</sup>	6,681 <sup>1)</sup>
Interest-bearing net debt (MEUR) .....	5.3	6.5	5.5	7.6	8.3
Equity ratio, % .....	55.2 %	35.0 %	38.3 %	29.1 %	26.4 %
Debt-to-equity ratio, % .....	33.9 %	82.6 %	65.1 %	109.7 %	143.6 %
<b>Cash flow information</b>					
Cash flow from operating activities .....	1,213	2,486	3,471 <sup>1)</sup>	4,185 <sup>1)</sup>	-3,259 <sup>1)</sup>
Cash flow from investment activities .....	-1,504	-1,102	-1,413 <sup>1)</sup>	-3,555 <sup>1)</sup>	-13,213 <sup>1)</sup>
Cash flow from financing activities .....	523	-1,269	-2,015 <sup>1)</sup>	-1,408 <sup>1)</sup>	15,412 <sup>1)</sup>
1) Audited					

#### Unaudited Pro Forma Financial Information

Unaudited pro forma financial information (“Pro Forma Financial Information”) for nine months period ended 30 September 2021 and financial period ended 31 December 2020 reflect the impact of acquisition of Emce Solutions Partner group by the Company on 15 August 2021 on the Groups income statement, as if they had materialized on 1 January 2020. The unaudited Pro Forma Financial Information has been prepared only for illustrative purposes and is intended to describe the results of operations of the Group in a situation where the above events would have occurred at an earlier date. The Pro Forma Financial Information reflects a hypothetical situation and therefore does not necessarily reflect the results of operations of the Group if the events had occurred on the above date. Furthermore, the Pro Forma Financial Information is not intended to provide an indication of the Group’s results of operations in the future, nor the information presented reflect the potential cost savings, synergies or integration expenses that the transaction described above is expected to generate for the Group.

(TEUR)	1 Jan–30 Sep 2021	1 Jan–31 Dec 2020
	Pro Forma (Unaudited)	
Net sales .....	34,590	51,445
EBITDA .....	1,866	5,115
EBITDA % .....	5.4 %	9.9 %
Operating profit adjusted by amortization of goodwill .....	1,185	4,475
Operating profit adjusted by amortization of goodwill % .....	3.4 %	8.7 %
Operating profit (loss) .....	-340	2,480
Operating profit (loss) % .....	-1.0 %	4.8 %
Profit (loss) for the financial period .....	-766	1,474
Profit adjusted by amortization of goodwill .....	759	3,469
Profit adjusted by amortization of goodwill % .....	2.2 %	6.7 %

### ***What are the Key Risks that are Specific to the Issuer?***

- Disruptions or interruptions in Administer's IT, network or communication systems may result in unexpected expenses and disruptions and have an adverse effect on Administer's or its customers' business;
- Data security breaches to IT systems and data communication or other data security breaches may have an adverse effect either on Administer or its customers and damage Administer's business;
- Administer's field of business is competitive, and the field of competitors is fragmented, which may have an adverse effect on Administer's business if Administer is unable to meet the prices or quality of the competitors' services or is unable to develop new products or services;
- The Company may fail to comply with the legislation related to data protection and privacy;
- Administer may not be able to execute its business strategy or its business strategy may prove to be wrong;
- Administer may fail to integrate its new business acquisitions, identify new targets to be acquired, or an acquisition may fail;
- Administer may not be able to obtain financing on competitive terms or at all, and its financing expenses may increase;
- Administer is dependent on services and products provided by its partners, and Administer may be held liable for mistakes made by its partners; Administer is exposed to a counterparty risk in its contractual relationships;
- Administer's brand and reputation are its important competitive edges, and any damage to Administer's reputation could have an adverse effect on Administer's business and its market position;
- Misconduct and mistakes may occur in the processing of confidential information, cash assets and transactions of Administer's customers; and
- Administer may fail to recruit and engage competent personnel and key employees, which may have an adverse effect on Administer's business.

### **Key Information on the Securities**

#### ***What are the Main Features of the Securities?***

As on the date of this Offering Circular, the Company has 11,310,000 fully paid Shares, in addition to which the Company preliminary offers a maximum of 2,264,110 new shares in the Company (the "**New Shares**") for subscription. The ISIN code of the Shares is FI4000513411. The Company has single class of shares, and each Share entitles to one vote in the Company's General Meeting. The Shares have no nominal value. All Shares in the Company carry an equal right to the Company's dividends and other distribution of assets by the Company. The Shares are freely transferrable subject to the restrictions described below.

The Company's shares have been registered in the electronic book-entry system maintained by Euroclear Finland.

In accordance with the dividend policy approved by the Company's Board of Directors on 5 November 2021, the Company aims to distribute a dividend amounting to a minimum of 30 percent of its profit adjusted by amortization of goodwill for each year.

#### ***Where Will the Securities be Traded?***

The Company will submit an application for listing the Shares for trading in First North. Provided that the Company's application for listing is approved, trading on the Shares is expected to commence in First North on or about 21 December 2021 under the trading code ADMIN and the ISIN code FI4000513411.

#### ***What are the Key Risks that are Specific to the Securities?***

- The Shares of the Company have not been traded on any regulated market or multilateral trading facility prior to the Listing, and due to this, there are no guarantees that the development of the price of the Shares will be efficient or that an active and liquid trading market will develop for the Shares;
- There are no guarantees on Administer's ability to pay dividends or distribute other funds in the future and Administer may not distribute funds for any or all of the financial periods;
- Future share issues, if any, may have a negative effect on the market price of the Shares and dilute the relative shareholding of the shareholders; and
- Ownership of the Company's shares is concentrated, and the largest shareholder will continue to have a significant holding and control in the Company after the Listing.

### **Key Information on the Offer of the Securities to the Public and the Admission to Trading**

#### ***What are the Conditions and Timetable for Investing in the Security?***

##### *General Terms and Conditions of the Offering*

In the share issue, the Company aims to raise gross proceeds of approximately a maximum of EUR 11 million by offering preliminarily a maximum of 2,264,110 New Shares in the Company for subscription (the "**Share Issue**") subject to the shareholders' pre-emptive subscription right. In addition, the Company's existing shareholder Bocap SME Achievers Fund II Ky (the "**Selling Shareholder**") offers for purchase preliminarily a maximum of 1,900,890 existing shares in the Company (the "**Sale Shares**", and together with the New Shares, the "**Offer Shares**") (the "**Share Sale**", and together with the Share Issue, the "**Offering**").

The Offering consists of (i) an institutional offering to institutional investors in Finland and internationally in accordance with the applicable legislation, excluding the United States (the “**Institutional Offering**”), (ii) a public offering to private individuals and entities in Finland (the “**Public Offering**”) and (iii) a personnel offering to the personnel employed by the Company or its group companies and affiliated companies in Finland during the subscription period, and to members of the Board of Directors and the Management Team of the Company or its group companies and affiliated companies in Finland (the “**Personnel Offering**”). The Offer Shares represent approximately a maximum of 30.7 percent of all of the Company’s Shares and votes after the Offering, provided that (i) the Over-allotment Option is not exercised, (ii) the Selling Shareholder sells the maximum number of the Sales Shares and (iii) the Company issues a total of 2,264,110 New Shares (approximately 33.7 percent assuming that the Over-allotment Option is exercised in full).

The Company’s Extraordinary General Meeting resolved on 4 November 2021 to authorise the Company’s Board of Directors to decide upon issuing a maximum of 3,000,000 New Shares in connection with the Company’s listing on Nasdaq First North Growth Market Finland (“**First North**”) maintained by Nasdaq Helsinki Oy (“**Nasdaq Helsinki**”) (the “**Listing**”). Based on this authorisation, the Company’s Board of Directors has decided on 3 December 2021 to issue preliminarily a maximum of 2,264,110 Offer Shares in the Offering.

The Selling Shareholder offers a maximum of 1,900,890 existing Shares in the Company for purchase in the Offering.

In the Public Offering, preliminarily a maximum of 1,030,000 Offer Shares are offered to private individuals and entities in Finland. In the Institutional Offering, preliminarily a maximum of 3,000,000 Offer Shares are offered to institutional investors in Finland and internationally in a private placement -arrangements in accordance with these terms and conditions. In the Personnel Offering, preliminarily a maximum of 135,000 Offer Shares are offered to the personnel employed by the Company or its group companies or affiliated companies in Finland during the subscription period, and to members of the Board of Directors and of Management Team of the Company and its group companies and affiliated companies in Finland. The Company may decide, based on demand, to transfer Offer Shares between the Institutional Offering, the Public Offering and the Personnel Offering in deviation from the preliminary number of shares. However, the minimum number of Offer Shares to be offered in the Public Offering shall be 824,000 Offer Shares or, if the aggregate number of Offer Shares covered by the commitments issued in accordance with its terms (the “**Commitments**”) is less, the total number of Offer Shares covered by Commitments.

The New Shares are offered in deviation from the shareholders’ pre-emptive subscription right in order to enable the admission of the Shares for multilateral trading on First North.

The Company has appointed Evli Bank Plc (“**Evli**” or the “**Lead Manager**”) to act as the Lead Manager for the Offering. Evli acts as a subscription place in the Institutional Offering, the Public Offering and the Personnel Offering. In addition, the Company has appointed Nordnet Bank AB (“**Nordnet**”) as a subscription place in the Public Offering, in addition to which Nordnet also accepts subscriptions in the Institutional Offering.

In connection with the Offering, the Company’s Board of Directors is expected to give Evli, who is acting as the Lead Manager, the right to increase the number of the Offer Shares by a maximum of 620,000 New Shares solely to cover possible oversubscription situations in connection with the Offering (the “**Over-allotment Option**”). If the Over-allotment Option is exercised in full, a maximum of 2,884,110 New Shares can be issued and a maximum of 1,900,890 Sales Shares can be sold in the Offering (4,785,000 Offer Shares in total), in which case the Offer Shares will account for approximately 33.7 percent of all shares and votes issued by the Company immediately after the Offering.

#### *Subscription Price and Period*

The subscription period for the Institutional Offering will commence on 7 December 2021 at 10:00 a.m. (Finnish time) and end at the latest on 17 December 2021 at 12:00 noon (Finnish time).

The subscription period for the Public Offering will commence on 7 December 2021 at 10:00 a.m. (Finnish time) and end at the latest on 16 December 2021 at 4:00 p.m. (Finnish time).

The subscription period for the Personnel Offering will commence on 7 December 2021 at 10:00 a.m. (Finnish time) and end at the latest on 16 December 2021 at 4:00 p.m. (Finnish time).

The Board of Directors of the Company has, in the event of oversubscription, the right to discontinue the Offering at the earliest on 14 December 2021 at 4:00 p.m. The Institutional Offering, the Public Offering and the Personnel Offering can be discontinued independently of each other. The Institutional Offering, the Public Offering and the Personnel Offering may be discontinued even if they are not oversubscribed. A company release will be published in the event of a discontinuation.

The Company’s Board of Directors is entitled to extend the subscription periods for the Offering. A company release will be published in the event of an extension of the subscription period for the Institutional Offering, the Public Offering and the Personnel Offering or any of them, specifying the new date when the subscription period ends.

The subscription price for the Offer Shares is EUR 4.86 per Offer Share (the “**Subscription Price**”) in the Institutional Offering and the Public Offering. In the Personnel Offering, the subscription price is 10 percent lower than the Subscription Price, i.e. EUR 4.38 per Offer Share.

### *Right of Withdrawal Under the Prospectus Regulation*

If the Finnish Prospectus is supplemented or corrected in accordance with the Prospectus Regulation due to a significant new factor, material error or material inaccuracy relating to the information included in the Finnish Prospectus that has become known after the FIN-FSA has approved the Finnish Prospectus and before the end of the subscription period, investors who have committed to subscribe for Shares before the publication of a supplement or correction of the Finnish Prospectus have, in accordance with the Prospectus Regulation, the right to withdraw their Commitments within at least three (3) working days after the supplement or correction has been published. The withdrawal right is further conditional on that the significant new factor, material error or material inaccuracy that led to the supplement or correction arose or was noted prior to the end of the Subscription Period or the delivery on the book-entry account of the subscriber of the Offer Shares which are subject to the withdrawal (whichever occurs earlier). Responsibility to supplement the Finnish Prospectus does not apply when the Finnish Prospectus is no longer valid. The Finnish Prospectus is in effect until trading on the Offer Shares commences. If the Offering Circular is supplemented, it will be communicated through a company release. Such company release shall also contain information about the investors' right to withdraw their Commitments in accordance with the Prospectus Regulation.

### *Trading on the Shares*

Prior to the Listing, the Company's Shares have not been subject to trading on any regulated market or multilateral trading facility. The Company aims to submit a listing application for admission of the Shares for trading on First North on or about 7 December 2021. Trading on the Shares is expected to commence on First North on or about 21 December 2021. The trading code of the Shares is ADMIN and the ISIN code is FI4000513411.

When trading commences on or about 21 December 2021, all Offer Shares offered in the Offering may not have been fully transferred to the investors' book-entry accounts. If an investor wishes to sell Offer Shares subscribed for in the Offering, he or she should ensure, before placing the order, that the number of Shares registered to his or her book-entry account covers the transaction in question at the time of the trade.

### *Subscription Commitments*

Certain professional investors listed below in this section have, between 12 November 2021 and 27 November 2021, agreed to be cornerstone investors in the Offering (the "**Cornerstone Investors**"). The Cornerstone Investors have each individually committed to subscribe for Offer Shares in the Offering with the Subscription Price in the total value of EUR 12.6 million, subject to customary terms and conditions. In accordance with the terms and conditions of the subscription commitments, the Company has committed to allocate in full to each of the Cornerstone Investors the amount of Offer Shares corresponding to their subscription commitments, and due to this, the Cornerstone Investors have an allocation priority over other investors. Therefore, the portion reserved for the Cornerstone Investors represents approximately 62.2 percent of the Offer Shares without the Over-allotment Option (approximately 54.2 percent assuming that the Over-allotment Option is exercised in full).

The Cornerstone Investors are committed to subscribing for the Offer Shares as follows:

- Ilmarinen Mutual Pension Insurance Company for EUR 5.0 million;
- Aurator Asset Management Ltd for EUR 1.6 million;
- Elo Mutual Pension Insurance Company for EUR 1.5 million;
- Oy Fincorp Ab for EUR 1.0 million;
- Oy Talcom Ab for a EUR 0.5 million;
- Oy Cata-Holding Ab for EUR 0.5 million;
- Sijoitus Oy MC Invest Ab for EUR 0.5 million;
- Jouni Monto Oy for EUR 0.2 million;
- Eyemaker's Finland Oy for EUR 0.2 million;
- Vikakono Oy for EUR 0.2 million;
- K22 finance Oy for EUR 0.2 million;
- Suotuuli Oy for EUR 0.2 million;
- Oy Novatum Ab for EUR 0.2 million;
- Taloustieto Incrementum Oy for EUR 0.2 million;
- Rantanplan Oy for EUR 0.2 million;
- Rantalainen-Yhtiöt Oy for EUR 0.2 million;
- Sulovilen Oy for EUR 0.1 million; and
- Harry Lindström for EUR 0.1 million.

The subscription commitments of the Cornerstone Investors represent in total approximately 62.2 percent of the Offer Shares without the Over-allotment Option, assuming that (i) the Selling Shareholder sells the maximum number of Sales Shares and (ii) the Company issues 2,264,110 New Shares in total (approximately 54.2 percent assuming that the Over-allotment Option is exercised in full).

### *Fees and Expenses*

Administer expects to pay approximately EUR 1.0 million in fees and expenses related to the Offering, including the fees and expenses to the Lead Manager.

The Selling Shareholder expects to pay approximately EUR 30 thousand in fees and expenses related to the Offering.

#### *Dilution Effect*

The New Shares issued in the Offering will increase the number of the Shares to 13,574,110 Shares assuming that the maximum number of New Shares are offered and subscribed for in the Offering. If the existing shareholders of the Company's would not subscribe for Offer Shares in the Offering or sell the Sales Shares, their total shareholding in the Company would therefore dilute with approximately 16.7 percent, assuming that the maximum number of New Shares are offered and subscribed for in the Offering.

The Company's equity per Share was EUR 51.12 as on 30 September 2021 (the split of Shares resolved on 4 November 2021 and acquisition of Tilikamut Oy resolved on 15 October 2021 have not been taken into account). The Subscription Price in the Offering is EUR 4.86 per Offer Share.

#### *Lock-up Restrictions*

The Company is expected to commit, during the period that will end on the date that falls 180 days from the commencement of trading on the Offer Shares, without the prior written consent of the Lead Manager, not to offer, pledge, sell, commit to sell, sell any option rights or right to purchase, purchase any option rights or right to sell, assign any option right or warrant to purchase, lend or otherwise transfer or assign (or publish such measure), directly or indirectly, any Shares or any securities entitling to Shares or exchangeable for or convertible into Shares, or enter into any swap or other agreement that transfers, in whole or in part, any of the financial effects of ownership of a Share, regardless of whether such transaction is carried out by delivery of the Shares or other securities, in cash or otherwise, or present the Company's shareholders a proposal for executing such measures. The lock-up does not apply to the measures related to the execution of the Offering nor to the issue of shares pursuant to the existing option rights or pursuant to employee incentive schemes created in accordance with the common market practice, nor to shares given as a means of payment in acquisitions, provided that the recipients of the shares commit to an equivalent lock-up for the remainder of the Company's lock-up period.

A prerequisite for participation in the Personnel Offering is that the subscriber commits to the lock-up. In accordance with the lock-up restriction, the persons participating in the Personnel Offering undertake that they will not, during the period that will end on the date that falls 365 days from the Completion Decision, without the prior written consent of the Lead Manager, issue, offer, pledge, sell, commit to sell, sell any option rights or right to purchase, purchase any option rights or right to sell, assign any option right or warrant to purchase, lend or otherwise transfer or assign, directly or indirectly, any Shares or any securities they hold or subscribe for in the Offering entitling to Shares or exchangeable for or convertible into or exercisable for Shares, or enter into any swap or other agreement that transfers, in whole or in part, any of the financial effects of ownership of the Shares, regardless of whether such transactions are to be carried out by delivery of the Shares or other securities, in cash or otherwise. The lock-up restrictions related to the Personnel Offering are binding without regards to whether they are registered on the book-entry accounts of the shareholders or not.

The Selling Shareholder and the Company's other shareholders are expected to undertake that they will not, during the period that will end on the date that falls 180 days from the Completion Decision, without the prior written consent of the Lead Manager, issue, offer, pledge, sell, commit to sell, sell any option rights or right to purchase, purchase any option right or right to sell, assign any option right or warrant to purchase, lend or otherwise transfer or assign, directly or indirectly, any Shares or any securities they hold or subscribe for in the Offering entitling to Shares or exchangeable for or convertible into or exercisable for Shares, or enter into any swap or other agreement that transfers, in whole or in part, any of the financial effects of ownership of the Shares, regardless of whether such transactions are to be carried out by delivery of the Shares or other securities, in cash or otherwise. These lock-up restrictions are binding without regards to whether they are registered on the book-entry accounts of the shareholders or not. The undertaking is not applied to selling Sales Shares in the Offering or any shares which the party giving the undertaking subscribes for in the Offering or acquires in First North after the first day of trading on the Company's shares.

#### ***Why Is This Offering Circular Prepared?***

The Company has prepared the Finnish Prospectus in order to offer the Offer Shares.

#### *Purpose of the Offering*

The objective of the Offering and the Listing is to promote Administer's ability to execute its strategy aiming for organic and inorganic growth and increase financial flexibility for the development of the business by strengthening the Group's solvency. In addition, the Offering is aimed to broaden the ownership base by new institutional and other investors, by which Administer aims to broaden its financing base to support its growth in line with its strategy. The purpose of the Personnel Offering is to engage and incentivise Administer's personnel.

#### *Proceeds from the Offering and their Use*

The Company aims to raise gross proceeds of approximately EUR 11 million by offering a maximum of 2,264,110 New Shares for subscription at a Subscription Price of EUR 4.86 per share in the Public Offering and Institutional Offering and at a Subscription Price of EUR 4.83 per share in the Personnel Offering. Administer estimates the charges, fees and expenses to be paid by it in connection with the Offering to amount to approximately EUR 1.0 million assuming that the Company raises gross proceeds of EUR 11 million. The Company estimates to receive net proceeds of approximately EUR 10 million from the Offering assuming that the Over-allotment Option is not exercised. The Company will pay to the Lead Manager arrangement fees in accordance with the placing agreement.

The proceeds from the Offering are intended to be used primarily for executing and supporting Administer's growth strategy.

*Interests Related to the Listing*

The Lead Manager's fee is, in part, linked to the proceeds from the Offering.

The Lead Manager and/or its affiliates have provided, and may provide in the future, advisory, consulting and/or banking services to the Company in the ordinary course of business. In connection with the Offering, the Lead Manager and/or investors within its affiliates may acquire Shares on their own account, hold, purchase and sell the Offer Shares for their own account and offer or sell such securities otherwise than in connection with the Offering subject to the legislation and regulations applicable. The Lead Manager does not intend to disclose the scope of such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Selling Shareholder will sell Sales Shares in the Offering.

*Applicable Law and Dispute Resolution*

The Offering shall be governed by the laws of Finland. Any disputes arising in connection with the Offering shall be settled by the court of competent jurisdiction in Finland.

## RISK FACTORS

*An investment in Administer involves risks, which may be significant. The following describes the risks relating to Administer, its business and operating environment, legislation and legal matters, as well as the risks relating to the Offering and the Shares. Many of the risks related to Administer and its business operations are inherent to its business and are typical in its industry. Potential investors should carefully review the information contained in this Offering Circular and, in particular, the risk factors described below.*

*Each of the risks presented may have a material impact on Administer's business, financial position, operating results and future prospects, and they may together or individually result in Administer failing to achieve its financial targets. Should these risks lead to a decline in the market price of the Shares, investors who have invested in them could lose part or all of their investment. The description of risk factors below is based on information available, and estimates made on the date of this Offering Circular and, therefore, is not necessarily exhaustive. As a part of the assessment of the risk factors Administer has considered the probability of the realisation of the possible risks. Potential events that may or may not materialise are presented in the risk factors. Due to the uncertainty characteristic for these potential courses of events Administer is unable to present an exact estimate for all the risks on the probability of such events materialising or failing to materialise.*

*The risks presented herein have been divided into six categories based on their nature. These categories are:*

- A. Risks Related to Administer's Operating Environment and the Implementation of its Strategy;*
- B. Risks Related to Administer's Business Operations;*
- C. Risks Related to Administer's Financial Position and Financing;*
- D. Risks Related to Legislation and Legal Matters;*
- E. Risks Relating to the Shares; and*
- F. Risks Relating to the Offering and the Listing.*

*Within each category, the risk estimated to be the most material on the basis of an overall evaluation of the criteria set out in the Prospectus Regulation is presented first. The order in which the risk factors are presented after the first risk factor in each category is not intended to reflect either the relative probability or the potential impact of their materialisation. The order of presentation of the categories does not represent any evaluation of the materiality of the risks within that category, when compared to risks in another category.*

*In addition to the risks and uncertainties described herein, risks and uncertainties that are currently unknown or considered immaterial may have a material adverse effect on Administer's business or on the market price of the Shares.*

### **A. Risks Related to Administer's Operating Environment and the Implementation of its Strategy**

***Administer's field of business is competitive, and the competitive landscape is fragmented, which may have an adverse effect on Administer's business if Administer cannot respond to the prices or service quality of its competitors or develop new products or services***

Administer's field of business is highly competitive, and the competitive landscape is also highly fragmented. In the view of Administer's management, the Group's competitors include, among others, listed companies, large private Finnish and international companies and local players which are significantly smaller than Administer, and furthermore, there are no assurances that new competitors would not enter into Administer's markets and the regions where it operates. There are also no assurances that Administer can respond successfully or at all to the increasing competition with the strategy and operating model it has chosen. It is also possible that Administer's present or future competitors will develop and introduce services or products that are more attractive than Administer's services or products in terms of their cost benefits or other features or such that Administer does not currently offer and will not be able to offer in the short term. In addition, there are no assurances that Administer's present customers will not decide to transfer in part or in full the financial management services and other services and products offered by the Group to a competitor or to handle some or all financial management services internally by themselves.

Technological development, tighter requirements of the customers and changes in the legislation in the Group's customer industries may result in changes in the service and product needs of the customers and their expectations for Administer's services and/or products quickly or unexpectedly. In addition, an increasing number of M&A transactions have been seen in Finland and the rest of Europe in recent years, such as acquisitions, which have led and may in the future lead to consolidation and through this, decrease the number of potential customers or increase their negotiation power towards Administer. In order to be able to respond to these changes better than its competitors, Administer must improve and develop its present services and products and create new innovations. In addition to its own development of products and services,

Administer also relies on, in part, the development activities of its cooperation partners. Should Administer or its cooperation partners fail in their development activities, this could weaken the competitiveness of Administer's services and products, which could result in, among other things, the loss of customers and through this, have an effect on Administer's business and results of operations. In addition, Administer's significant contractual partners may not be able to offer Administer a competitive price as compared to Administer's competitors, and due to this, Administer may not necessarily be able to respond to the pricing of its competitors and Administer's profitability may weaken. Development, innovation and the introduction of new services and products depend on several factors, some of which are beyond Administer's control. Administer must be able to recognise the different needs of its customers and respond to them, as well as gain acceptance and trust for its services and products from the customers. In addition, Administer must be able to price its services and products in a competitive manner and ensure the differentiation of its services and products from corresponding services and products of its competitors. The development of products and services ties up Administer's resources and requires competent personnel, which may not be available at all times (for more information, see "*– Risks Related to Administer's Business Operations – Administer may fail in recruiting and engaging competent personnel and key individuals, which may have an adverse effect on Administer's business*").

Should competition continue to tighten in Administer's field of business due to any of the reasons described above and Administer not being able to respond to the competition, this may have a material adverse effect on Administer's business, financial position, results of operations and future prospects.

***Administer's business is vulnerable to economic downturns or weak economic growth, which may have an adverse effect on Administer's results of operations***

Financial uncertainty in the geographical areas wherein Administer's operates, i.e. Finland, Sweden and Estonia, impacts Administer's business in many ways and may have an effect on, for example, the planning and forecasting of Administer's business. Changes in the general economic situation in Finland and the rest of Europe and the world, monetary and fiscal policies applied in the Euro area and in the financial markets may have a negative effect on the economy in the areas wherein Administer operates, and through this, on Administer's business and financial position. In addition to the factors described above, the general economic situation may be impacted by escalation of political conflicts in, for example, Russia, and global pandemics and epidemics, such as the Covid-19 (for more information, see "*– Global epidemics and pandemics may have a material adverse effect on Administer's business through, among other things, weaker general economic conditions and the availability of financing, delays and a decrease in the financial activity of its contractual partners*"). Uncertainty in the financial market may also result in an increase in the price of financing and weaken the availability of financing in Finland and elsewhere.

There has been significant volatility in the general economic conditions and financial markets in Europe and elsewhere in the world owing to, among other things, the debt crises of certain European countries, the withdrawal of the United Kingdom from the European Union, the US presidential elections and the general political atmosphere and the ongoing Covid-19 pandemic. Governments, authorities and central banks have taken, and may continue to take, aggressive action to stimulate the economies of their countries as well as the global economy. However, there are no assurances that these actions will stimulate the economy and financial markets to a sufficient extent or quickly enough.

An economic downturn could lead to, for example, the loss of customers or a decline in net sales from customers, which could decrease the number of business transactions handled on behalf of Administer's customers and, consequently, have a direct impact on Administer's results of operations. A downturn could also impact the economic activity of Administer's customers, and customers may cancel, reduce or postpone their current or future orders for Administer's services and products.

Although Administer's addressable market is defensive in nature due to, for example, the statutory nature of financial management, which is indicated by the steady historical growth of total revenue in the market and its relatively low volatility<sup>2</sup>, changes taking place in the national economy have an impact on the business community in Finland in general, and thus on Administer's customers as well. Some of the revenue generated by operators in the sector also consists of transaction-based sales, in which case a decline in the number of transactions could also have a negative impact on Administer's net sales. In the view of Administer's management, economic downturns are reflected in different ways and over different cycles in Administer's various business areas. In the view of Administer's management, the Group's accounting firm business is highly sensitive to economic cycles as Administer's clientele includes numerous hotel and restaurant sector companies, whose business is significantly impacted by business cycles. On the other hand, Administer's

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<sup>2</sup> Statistics Finland; Structural business and financial statement statistics, Yearly statistics of the Business Register, Accounting in the national economy. 69201 Accounting and accounting service used as an industry. Relative swing is compared to development of GDP. ([https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin/StatFin\\_yri\\_yrti\\_oik/statfin\\_yrti\\_pxt\\_11qc.px/table/tableViewLayout1/](https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin/StatFin_yri_yrti_oik/statfin_yrti_pxt_11qc.px/table/tableViewLayout1/)) and ([https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin\\_Passiivi/StatFin\\_Passiivi\\_zzz\\_syr\\_010\\_yr\\_tol08/060\\_syr\\_tau\\_106\\_fi.px/](https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin_Passiivi/StatFin_Passiivi_zzz_syr_010_yr_tol08/060_syr_tau_106_fi.px/)). BKT-data: ([https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin/StatFin\\_kan\\_vtp/statfin\\_vtp\\_pxt\\_11sf.px/](https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin/StatFin_kan_vtp/statfin_vtp_pxt_11sf.px/))



management believes that economic cycles have a smaller impact on the Group's payroll business, as its clientele includes a significant number of large companies typically with permanent customer relationships.

The uncertainty described above and financial and economic problems in Finland and other countries may have an effect on Administer and its customers in many ways. Such effects may include, among other things, weaker availability of financing and a decrease in the transaction volumes of the customers. Weaker general economic conditions, uncertainty in the economy, possible changes in the regulation applied to the financial sector and financial and economic problems in Finland and other countries may separately or together have a material adverse effect on Administer's business, financial position, results of operations and future prospects.

***Administer may fail in the execution of its business strategy, or the chosen business strategy may prove to be wrong***

Administer's results of operations and growth will depend in the future on how successfully Administer is able execute its business strategy. Administer's strategy is described in more detail in "*Administer's Business – Strategy*". Administer's ability to execute its business strategy, meet the financial targets presented in this Offering Circular and achieve growth in Administer's business depends on several factors, many of which are beyond Administer's control. Such factors include, for example, general economic development and the competitive situation (for more information, see "*– Administer's business is vulnerable to economic downturns or weak economic growth, which may have an adverse effect on Administer's results of operations*" and "*– Administer's field of business is competitive and the competitive landscape is fragmented, which may have an adverse effect on Administer's business if Administer cannot respond to the prices or service quality of its competitors or develop new products or services*").

Administer's strategy is to be the best player in its industry with high-quality customer experience and innovative attitude as well as comprehensive service and technical solutions offering. Administer's management believes that this goal can be achieved, among other thing by offering the customers a better set as a combination of services and software than the competitors. Administer's strategy includes as a material element the acceleration of growth through business acquisitions in Finland as well as in selectively abroad. The execution of Administer's strategy is influenced by many factors, including the other risk factors described in this Offering Circular, that could prevent the realisation of Administer's strategy in full or in a timely manner, or limit Administer's ability to seek new business opportunities, execute key strategic initiatives or meet the demand for its services among existing or future customer relationships. Administer's management believes that its key competitive advantages relative to its competitors are the combined service and software package it offers and Administer will continue to focus on the development of its own software and, through this, improving efficiency and taking advantage of economies of scale. However, there are no assurances that the targeted operational efficiency will be achieved in the future, or that Administer's competitors will not increasingly offer a similar service in the future, which would reduce Administer's differentiation from its competitors (for more information, see "*– Administer's field of business is competitive and the competitive landscape is fragmented, which may have an adverse effect on Administer's business if Administer cannot respond to the prices or service quality of its competitors or develop new products or services*"). In addition, Administer may fail to achieve organic growth for several reasons that are due to Administer itself or beyond its control, in addition to which there are no assurances that Administer will succeed in its aim to grow inorganically through business acquisitions (for more information, see "*– Risks Related to Administer's Business Operations – Administer may fail in the integration of its new business acquisitions, finding new acquisition targets or the execution of a business acquisition*").

There are no assurances that Administer's strategy will offer the shareholders their expected return in the short or long term or that Administer can implement its strategy in part or at all. Possible failure to execute the Administer's strategy or the chosen strategy proving to be wrong, may have a material adverse effect on Administer's business, financial position, results of operations and future prospects.

***Global epidemics and pandemics may have a material adverse effect on Administer's business through, among other things, weaker general economic conditions and the availability of financing, delays and a decrease in the financial activity of its contractual parties***

A global epidemic or pandemic, such as the Covid-19 pandemic already ongoing for the second year in a row at the date of this Offering Circular, can have a direct and indirect impact on Administer's business through, among other things, weaker or further deteriorating general economic conditions, weaker availability of financing, potential problems and delays caused by restrictions imposed by governments, and a reduction in the economic activity of contractual partners. The Covid-19 pandemic has already had an impact on uncertainty in the global economy and the financial markets and, if drawn out, it may lead to a deeper and longer lasting global economic downturn. Although the vaccination of the population against the Covid-19 has progressed as on the date of this Offering Circular, there can be no assurance that vaccines will be sufficiently effective or that the entire population are vaccinated within the desired timetable. In addition, several variants of the virus have been detected worldwide and their impacts are difficult to predict. There are no assurances that the Covid-19 pandemic will be brought under control in the near future or at all, which could have significant negative impacts on the economy across the world. Uncertainty in the global economy and financial markets, which

pandemics or epidemics could escalate, weakens the confidence of businesses and consumers in the economy and future and may reduce their economic activity and, for example, decrease or postpone investment decisions. As on the date of this Offering Circular, the Covid-19 pandemic has reduced the number of transactions processed for Administer's customers as the activity levels of the businesses has plunged, which has had a negative effect on Administer's operating profit and profit for the financial period ended 31 December 2020 and for period of nine months ended 30 September 2021 (for more information, see "*Operating and Financial Review and Future Prospects – Results of the Operations – Net Sales*"). Therefore, the customers' weaker confidence in the economy and reduced economic activity may adversely impact Administer's business as well.

Several central banks and governments have announced relief packages and programmes targeted at businesses and consumers with the aim of stimulating the economy. However, it is not certain whether these stimulus measures will suffice to prevent a downturn in the economy, and this may have an effect of the availability of financing to Administer and its customers and subcontractors, as well as the future prospects of Administer and its customers and subcontractors.

In Finland and other countries in Europe and elsewhere, the governments have been forced to restrict the movement of people by lockdowns in various regions and cities and ordering people to quarantine to prevent the spreading of the Covid-19 and contain the epidemic. These restrictions and the general uncertainty in the global economy and financial markets, as well as a possible economic downturn may have an effect on, in addition to Administer, its cooperation partners and customers by decreasing the financial activity of the customers and the demand for Administer's services. Furthermore, an epidemic or pandemic may result in that the personnel of Administer or its cooperation partners or other significant players in Administer's sector are widely prevented from coming to the workplace and/or are absent due to sickness.

As on the date of this Offering Circular, it is difficult to forecast the full effects of the ongoing Covid-19 pandemic (including their timing, duration and scope) on the global economy, the Finnish economy, Administer's business and Administer's cooperation partners and customers, especially as the situation of the pandemic and decisions and measures by the public sector based on it change rapidly. Any risk described above, if materialised, may have a material adverse effect on Administer's business, financial position, results of operations and future prospects.

## **B. Risks Related to Administer's Business Operations**

### ***Interruptions or disruptions in Administer's IT, network and communication systems may lead to unexpected expenses and harm the business of Administers or its customers***

A significant proportion of the services offered by Administer, and therefore of Administer's operations, are dependent on the disturbance-free and timely operation of software, data systems, equipment, data centres, network connections and other IT systems as well as on Administer's ability to effectively use the data systems it needs. Such data systems include add-on systems to Administer's systems and cloud services. In addition, Administer is dependent on the continuous availability and reliability of its IT platforms, which in turn are dependent on the functioning of its and its partners' IT equipment. The availability of IT system platforms is dependent on the stage in the life cycle of products and services as well as the functionalities related to them, which are updated and developed according to the life cycles of the products and services and the life cycles of the available systems. This involves various operational risks, such as faults in devices and software, data security breaches and cyberattacks, which are described in more detail in "*– Data security breaches targeted to IT systems and data connections or other data security breaches may have an adverse effect on Administer or its customers and harm Administer's operations*", as well as power cuts, outdated software protocols, illegal activities by various actors and human error. The services offered by Administer consist to a large extent of outsourcing services for its customers' business-critical functions, so interruptions or disturbances in Administer's systems may not only impact Administer's business but also significantly that of its customers if, for example, invoices related to the customers' business cannot be sent due to a system failure.

Although Administer has internal back-up plans and practices in place for managing its systems, the data systems used by Administer may experience disruptions for reasons dependent on Administer or beyond its control. Administer also has business interruption insurance, but there are no assurances that the insurance will cover the costs resulting from a disruption and cover them in full especially if the disruption is prolonged. Despite the measures taken by Administer, the materialisation of any of the risks described above could lead to the loss of data, a leak of personal data, the theft of business secrets or intellectual property rights, interruptions in services, potential claims for damages, the loss of customers, disruptions in Administer's business and unexpected additional costs in connection with efforts to remedy the situation or mitigate its effects.

Any risk described above, if materialised, may lead to disruptions in Administer's services, additional costs and customer complaints or dissatisfaction, and through this, have a negative effect on Administer's business, financial position, results of operations and future prospects.

***Data security breaches targeted to IT systems and data connections or other data security breaches may have an adverse effect on Administer or its customers and harm Administer's operations***

Due to the nature of the services provided Administer collects, stores, processes and discloses in the course of its ordinary business a large amount of sensitive data, such as the financial and other information of companies and personal data concerning customers, employees and suppliers. The majority of the data is maintained, and data is transferred, electronically in Administer's IT systems, which may be susceptible to various IT, data network and cloud service disturbances. In addition, Administer and its business may be exposed to data security risks and threats, for example, due to hacking and other crime as well as human error and misuse. Administer's IT systems are also exposed to cyber security risks related to, for example, viruses, malware, phishing attempts, and infiltration or by-passing of data security systems in order to gain unauthorised access to the Administer's networks and systems. Administer's operations have historically been exposed to data security breaches, the majority of which have been fairly minor in their scope (e.g. personal data have been disclosed to the wrong recipient due to human error on the part of an employee). The most significant data security breaches, such as data phishing attempts or data breaches against a partner, have been duly reported to the authorities and Administer has not been presented with claims regarding the data security breaches. However, it cannot be ruled out that Administer may not be exposed to a data security breach in the future or that it may not be presented with claims for damages related to data security breaches in the future. Since Administer's customers have outsourced some of their business-critical functions to Administer, data security breaches or cyberattacks may have a material effect on the business of Administer's customers as well, which could result in significant costs for Administer in the form of, for example, compensation for damage.

The safe use and maintenance of confidential data and key data systems are critical for Administer's business and its business strategy, as data security breaches and disruptions could lead to, among other things, reputational damage for Administer and to the disclosure of Administer's and its customers' sensitive data. Administer continuously aims to monitor and develop its data systems in order to minimise the possibility of the risks to which they are exposed from materialising. To mitigate risks related to data security breaches, Administer conducts regular data security assessments of the key systems it uses. Despite these security measures, the information technology and infrastructure of Administer and its external service providers may be prone to attacks by hackers or data security breaches as a result of employee error, misuse or other disturbances. Any such data security breach could endanger the network infrastructure used by Administer and the data saved in it could be accessed without authorisation, revealed to the public, lost or stolen. If Administer's data security procedures and measures are breached intentionally or unintentionally or through a cyberattack, this could have a material adverse effect on Administer's reputation, results of operations, financial position or future prospects, and it could lead to claims, legal proceedings or official proceedings based on data security legislation and result in additional costs for the protection of Administer. Furthermore, any data breach, data leak or unauthorised use of data related to customer information could negatively impact the customers' trust in Administer and lead to the loss of customer relationships.

***The Company may fail to comply with legislation applied to data protection and privacy***

Due to the nature of the services provided, Administer processes, in the course of its ordinary business a large amount of its customers' sensitive data, such as the financial and other confidential information of its customers' employees, with respect to which Administer acts as a personal data processor. In addition, Administer acts as the data controller with respect to the personal data of its employees and general customer and partner data. Therefore, Administer's business is subject to many laws governing data protection and privacy protection, including the EU's General Data Protection Regulation ((EU) 2016/679, the "GDPR") as well as other Finnish data protection acts (related to, for example, the protection of privacy in working life). The GDPR places several obligations on organisations processing personal data, including documentation and data security obligations. In addition, the GDPR includes provisions concerning significant administrative sanctions imposed as a result of breaching the regulation (the maximum sanction is the larger of EUR 20 million or 4 percent of the group's annual worldwide revenue). Neglecting to comply with the GDPR may result, in addition to the administrative sanctions, in significant reputational damage and lead to claims for damages from contractual partners, such as the customers, or from the data subjects. In addition, the authorities could order Administer to remedy or cease activities in breach of the GDPR, which could lead to costs that are even higher than sanctions and result in disruptions in the continuity of Administer's business. The reputational damage resulting from administrative sanctions could also negatively impact the customers' trust towards Administer and to the loss of customer relationships. Although Administer aims to comply with all laws and other regulations governing privacy protection and data protection, it is possible that Administer will interpret and apply the requirements based on them inconsistently with other market players or such interpretations could conflict with the interpretations of the EU or the Finnish authorities.

As such, non-compliance with the data protection legislation described above may result in various legal claims or legal proceedings, regulatory sanctions, disruptions in Administer's operations and services provided to the customers or damage Administer's reputation, which may have a material adverse effect on Administer's business, financial position, results of operations and future prospects.

***Administer may fail in the integration of its new business acquisitions, in finding new acquisition targets or in the execution of a business acquisition***

Administer has historically carried out several business acquisitions and Administer's present group structure has been formed through, among other things, these acquisitions. During the second half of 2021, Administer has executed two business acquisitions (for more information, see "*Administer's Business – Business Acquisitions*"). As its latest significant business acquisition, Administer completed the acquisition of Emce Solution Partner Oy, which develops financial management and payroll administration software and ERP solutions, in August 2021. It is also possible that Administer, as part of its strategy or otherwise, will carry out more business acquisitions or other M&A transactions in the future. To the extent possible, Administer always aims to integrate acquired companies into the group wither partially or entirely in terms of the acquired company's name, software and other functions.

Business acquisitions involve several risks related to the evaluation of the acquired company or business with regards to, among other things, its value, strengths, weaknesses, profitability, assets and liabilities, which cannot always be satisfactorily confirmed on the basis of detailed due diligence conducted by experts. Therefore, there is a risk that Administer may fail in the evaluation of an acquired company or that Administer or an acquired company may be subjected to legal claims that could lead to significant additional expenses and liabilities. An essential element in Administer's strategy is expansion through business acquisitions, and there are no assurances that Administer will find suitable acquisition targets in reasonable time, at a suitable price or at all (for more information, see "*– Risks Related to Administer's Operating Environment and the Implementation of its Strategy – Administer may fail in the execution of its business strategy, or the chosen business strategy may prove to be wrong*").

The success of a business acquisition is also materially dependent on Administer's ability to integrate the acquired operations and companies successfully into Administer's existing business and group. Administer may be forced to spend significant time and resources on harmonising the operating model of an acquired company with its own operating model, for example, through the retraining of personnel. It is also possible that Administer will be forced to integrate certain software and systems of its subsidiaries into Administer's other business, which exposes the Group to potential disturbances in its services. Potential data system and service disturbances due to the integration of software expose Administer to a customer-related risk if a disturbance that causes harm to a customer occurs in Administer's services. In addition, integration may consume significant resources from Administer's personnel and thus temporarily decrease Administer's opportunities to develop its other business operations. Furthermore, if the corporate cultures of Administer and the target companies differ significantly, Administer may fail in harmonising the corporate cultures, which could lead to, for example, the loss of key personnel.

Possible failure in the pricing or execution of a business acquisition, integration of the acquired business to Administer's operations or the materialisation of any other risk related to business acquisitions may have a material adverse effect on Administer's business, financial position, results of operations and future prospects.

***The protection of Administer's intellectual property rights may not be adequate, or Administer's intellectual property rights may be used without authorisation and Administer may breach the intellectual property rights of third parties***

Intellectual property rights are an important asset for Administer's business, and Administer owns intellectual property rights related to, among other things, the systems and software it has developed (for more information on Administer's intellectual property rights, see "*Administer's Business – Intellectual Property Rights and IT*"). In addition, Administer uses intellectual property rights owned by third parties under, inter alia, licencing agreements. Although Administer aims to actively protect the systems it develops by registering and establishing its intellectual property rights and through various contractual arrangements, there are no assurances that Administer's intellectual property rights are adequately and effectively protected. There are also no assurances that Administer will be able to protect its intellectual property rights sufficiently effectively in the future or that Administer will be able to procure and utilise the intellectual property rights it needs in its business under favourable and competitive terms. It is also possible that Administer's intellectual property rights may be used without authorisation, and there are no assurances that Administer will be able to defend its intellectual property rights to a sufficient extent against infringement. It also cannot be ruled out that Administer may unintentionally infringe on the intellectual property rights of other parties and that Administer would therefore be forced to defend claims filed against it, which could lead to significant costs for Administer, among other things.

Any risk described above, if materialised, may result in significant expenses for Administer, tie up Administer's resources and cause other significant losses to Administer, which may have a material adverse effect on Administer's business, financial position, results of operations and future prospects.

***Administer is in part dependent on its major customers, and Administer's agreements with its customers may be unfavourable for Administer***

The Company's ten largest customers generate approximately 12.5 percent of the Company's net sales, and the entire Group's ten largest customers generate approximately 20 percent of consolidated net sales. Thus, the largest customers account for a significant share of Administer's net sales. It is possible that Administer, for reasons dependent on or independent of it, may lose one or several of its largest customers and would be unable to acquire new customers or replace lost ones. Such reasons could, for example, include reputational damage caused to Administer, failure in responding to tighter competition and errors committed by Administer in its customer relationships and disturbances in its services. The loss of the largest customers could weaken Administer's profitability and have a material adverse effect on Administer's net sales and thus on its business, results of operations and financial position.

If Administer faces difficulties in acquiring customers due to, for example, reputational damage or more intense competition in Administer's sector Administer may be forced to settle for partially unfavourable terms in its customer agreements. Administer may, for example, be forced to lower its prices or commit to pay certain costs, which could lead to a drop in Administer's profitability and a weakening of its liquidity.

Any risk described above, if materialised, may have a material adverse effect on Administer's business, results of operations and financial position.

***Administer is dependent on the services and products provided by its cooperation partners, and Administer may be held liable for mistakes made by its cooperation partners; Administer is exposed to the counterparty risk in its contractual relationships***

In its business, Administer aims to extensively utilise the systems and software it has developed, in addition to which Administer also uses several cooperation partners and service providers, such as IT service providers and data security experts. Administer's ability to operate efficiently and to offer its services and products, including HR and payroll administration services, to its customers is partially dependent on the ability of these parties to fulfil their obligations and on the efficient and faultless functioning of their services and systems. In its business, Administer also partially relies on the development work of its cooperation partners, and failure in this could weaken Administer's position in its industry relative to its competitors (for more information, see “– Risks Related to Administer's Operating Environment – Administer's field of business is competitive and the competitive landscape is fragmented, which may have an adverse effect on Administer's business if Administer cannot respond to the prices or service quality of its competitors or develop new innovations”).

Administer is also exposed to the counterparty risk in its contractual relationships if Administer's partners, service providers and subcontractors fail to fulfil their obligations partially or entirely or if errors or disturbances occur in the services they offer. Administer's cooperation partners may also face difficulties and wind down their services, dispose of their business or cease their cooperation with Administer, which could result in additional costs for Administer, tie up Administer's resources and cause delays and disturbances in Administer's business. The errors or disruptions of counterparties may cause uncertainty in the handling of the business and transmission of the cash assets of Administer's customers and thus lead to reputational damage.

Administer's cooperation partners, service providers and subcontractors may also commit human errors in their activities, which could lead to damage to Administer and its services and products. Furthermore, there are no assurances that Administer's partners, service providers and subcontractors will be able to fulfil their obligations in full or in part, as a result of which Administer may be ultimately liable for any damage incurred. The errors of cooperation partners and other parties may lead to, among other things, claims for damages and the loss of customers for Administer, which may have a material adverse effect on Administer's business, financial position, results of operations and future prospects.

***Administer's brand and reputation are important competitive advantages, and any damage to Administer's reputation could have an adverse effect on Administer's business and market position***

Administer conducts business in which the service provider's reputation and trustworthiness are highly significant due to the importance and sensitivity of the financial and other information processed. Administer's ability to acquire and retain its present and potential customers, as well as attract and retain personnel may weaken if Administer's reputation is damaged due to reasons relating to Administer or external factors. Factors affecting Administer's reputation include, among other things, the quality of Administer's services and products and the performance of its personnel. Administer's failure in responding to the expectations of its customers may result in damage to its reputation and the loss of customers, and through this, have an impact on Administer's results of operations. A single error of the personnel may, among other things, have an effect on the customer experience of Administer's customers, jeopardize trust in Administer's services and result in complaints on the quality of the activities. Furthermore, regulatory proceedings, disruptions of information

systems and data leaks, alleged misconduct and claims about conflicts of interest and independence may harm Administer's reputation and the trust of Administer's cooperation partners and customers in it.

Should Administer's reputation be damaged due to any reason described above, this may decrease the attractiveness of Administer and its services among its present and potential customers and personnel, and through this, have a material adverse effect on Administer's business, financial position, results of operations and future prospects.

***Misconduct and mistakes may occur in the processing of confidential information, cash assets and transactions of Administer's customers***

In the course of its business, Administer handles a significant amount of its customers' confidential information and cash assets and business transactions, which Administer must process without any disruption, carefully and in a timely manner. For example, Administer attends to the tax filings and official reports of several of its customers where the timeliness of the transaction is emphasised, as the authorities may impose significant sanctions on the customers if these filings are late. If Administer fails to handle confidential information, cash assets and business transactions carefully and in a timely manner, Administer may become liable to compensate for damage, which could result in significant costs and reputational damage for Administer and, consequently, the loss of customers.

Administer's personnel have restricted access to the customers' confidential information and user rights to the customers' bank accounts, and the personnel handle the cash transfers of Administer's customers, which are occasionally significant. Furthermore, Administer's business includes the leasing of financial management personnel, through which Administer's personnel may have broader access to the customers' confidential information and systems. The section "*– Interruptions or disruptions in Administer's IT, network and communication may lead to unexpected expenses and disruption in the operations*" above describes the risks to which Administer's systems are exposed as well as risks resulting from attacks, in addition to which Administer's own personnel may misuse the customers' cash assets or commit unintentional or intentional errors. Policies, legislation and official interpretations regarding, for example, corruption, the grey economy and crime in the Group's operating areas, such as Estonia, may differ from those in Finland, which exposes the Group to the risk of misuse especially outside Finland. Timeliness is also of material importance in the handling of the transactions and cash assets of Administer's customers, and errors or failures in meeting deadlines could incur significant damage for the customers. Any misuse or human errors in the handling of the cash assets and transactions of Administer's customers could result in significant financial losses for the customers and in liability for damage for Administer, which could lead to reputational damage and the loss of customers, and thus have a material impact on Administer's business and results of operations. Although a significant part of the confidential information of Administer's customers is stored in a digital format, Administer's contractual partners, such as parties that manage the properties in which Administer's premises are located, could have an opportunity to access the confidential information of Administer's customers that is stored in Administer's premises, and this information may be misused.

Administer aims to prepare for the risks described above with, among other things, internal guidelines, comprehensive insurance cover and appropriate surveillance and monitoring mechanisms, but there are no assurances that the insurances will cover misuse, errors or other breaches entirely or partially. In addition, using various non-disclosure agreements, Administer aims to ensure that its personnel handle the customers' confidential information with care and for appropriate purposes. Should Administer fail in the management of the risks described above, this may have a material adverse effect on Administer's business, financial position, results of operations and future prospects.

***Administer may fail in recruiting and engaging competent personnel and key personnel, which may have an adverse effect on Administer's business***

Administer's success is materially dependent on the professional skill of its personnel, Administer's ability to engage its key personnel and its ability to recruit new competent personnel in the future in order to, among other things, support the execution of its strategy and planned growth. To maintain its competitiveness and to be able to execute its strategy, Administer must succeed in recruiting and engaging a sufficient number of skilled personnel who possess the necessary competence with regard to Administer's core businesses and the development of software, for example. Administer's growth and the future profitability of its business depend on Administer's ability to recruit and engage such key personnel and on Administer's ability to recruit the necessary number of competent employees who are familiar with the industry. In addition, the development of Administer's management system and the Group's transformation projects may require the development of management processes, which could negatively impact the permanence of Administer's key personnel. Although Administer constantly aims to recruit competent personnel and to maintain the professional skills of its personnel through training, there are no assurances that Administer will succeed in its aims. Furthermore, Administer's industries generally suffer from high personnel turnover and a shortage of personnel, which, if prolonged, could result in customer dissatisfaction and reflect as personal risks (for more information on personal risks, see "*– Misconduct and mistakes may occur in the processing of the confidential information, cash assets and transactions of Administer's customers*"). Failure in recruiting competent personnel and particularly engaging key personnel may have a material adverse effect on Administer's business, financial position, results of operations and future prospects.

***Administer may fail in competitive public tenders; possible complaints and litigation related to public tenders may damage Administer's reputation and/or weaken its profitability***

Approximately 6 percent of the Company's customers, approximately 11 percent of Silta Oy's customers and approximately 95 percent of Kuntalaskenta Oy's customers are covered by the scope of the Act on Public Procurement and Concession Contracts (2016/1397, as amended) ("**Procurement Act**") or otherwise use competitive tenders in their internal procurements. The Group participates to a certain extent in competitive tenders for procurements and competitive tendering by large companies in relation to all services offered by it. In the view of Administer's management, the Company's current and potential customers will require even more professional skill and competitive pricing from their partners in the future and Administer aims to meet the professional skill requirements of the public sector and to maintain competitive pricing. Despite this, there are no assurances that Administer will in the future be able to win tenders for public procurements or other tenders. In particular tighter competition in Administer's industry could affect Administer's opportunities to succeed in competitive tenders and, consequently, have a material adverse effect on Administer's business, financial position, results of operations and future prospects.

Competitive tenders for public procurements and potential appeals involve risks. The Market Court could, for example, as a result of an appeal of a competitor participating in the procurement procedure, overturn the decision of a procurement unit partially or fully, prohibit the procurement unit from applying a clause in the document concerning a procurement or order the procurement unit to pay compensation to a party that would have had an actual opportunity to win the competitive tender. In addition, a demand for rectification may be made concerning decisions made by a municipality or they may be appealed against to the administrative court, which is able to, for example, overturn the procurement decision or prohibit its enforcement. As on the date of this Offering Circular, Administer is not a party to any legal proceedings pending in the Market Court, nor does Administer have any procurement procedures been appealed against to the Market Court. In addition, at the date of this Offering Circular, Administer is not a party to any appeal concerning municipal decision-making. However, there are no assurances that Administer could not be subject to proceedings in the Market Court or administrative court.

Chapter 10 of the Procurement Act lays down the grounds on which tenderers may be excluded from a competitive tender. For more information, see exclusion criteria of Sections 80 and 81 of the Procurement Act in "*Administer's Business – Regulatory Environment*". As on the date of Offering Circular, Administer has not been excluded from any competitive tendering using the exclusion criteria laid down in sections 80 and 81 of the Procurement Act, but there are no assurances that Administer may not be excluded from competitive tendering due to the Company, its group company or a member of its administration or management, or a person exercising representative, managerial or regulatory authority therein having committed any of the exclusion criteria specified in the Procurement Act, which could have a material adverse effect on Administer's business and results of operations.

If Administer is subjected to proceedings related to public procurement in the future, the risks, expenses, possible consequences and damage to its reputation may have a material adverse effect on Administer's business, financial position, results of operations and future prospects.

***Strikes and other industrial action may have an adverse effect on Administer's operations***

Administer may be subjected to strikes, walkouts or other industrial action, which may disrupt or interrupt Administer's business and as such have a significant effect on Administer's results of operations. Strikes by Administer's personnel particularly in the spring when financial statements and tax returns are prepared would be adverse for Administer's business and could result in interruption of services, as the season is particularly busy in Administer's sector and Administer may not find substitute labour to maintain Administer's services without disruptions. In 2017, Administer was a subject of a strike, and it cannot be excluded that, for example, in connection with the increase in automation, Administer's employees could demonstrate their dissatisfaction with a walkout or other industrial action. Further, it cannot be excluded that Administer's cooperation partners, service providers and subcontractors can be subjected to strikes and other industrial action, making their services and/or systems unavailable, which, if prolonged, could also have an effect on the uninterrupted and timely performance of Administer's services.

Administer has striven to prepare for disruptions resulting from strikes and other industrial action with internal personnel arrangements and instructions applied during the duration of a strike. Further, Administer has prepared for disruptions resulting from strikes occurring among its cooperation partners and other players with contractual arrangements. In spite of Administer's preparations, it is possible that if industrial action is prolonged or it occurs in the critical time periods of Administer's sector, this may have a material adverse effect on Administer's business, financial position, results of operations and future prospects.

***A significant or unexpected increase in personnel costs may weaken the profitability of Administer's business***

Salaries and wages and other personnel costs represent a large part of the Group's cost base, and they accounted for approximately 72.0 percent of the Administer's total expenses as on the date of this Offering Circular. As a main rule, Administer can forecast its personnel costs in the short term, but there are no assurances that the personnel expenses would not increase unexpectedly due to reasons depending on Administer or independent of it, such as significant growth of Administer's operations within a short period or an increase in labour costs as a result of political decision-making or the general circumstances of the labour market. Should the personnel costs increase significantly or unexpectedly, Administer may not be able to pass the increase in the personnel costs to the prices of its services or products quickly enough or at all. As such, a significant or unexpected increase in the personnel costs may have a material adverse effect on Administer's business, financial position, results of operations and future prospects.

***Administer may fail in fast deployment of technological advances related to its business or fail to invest in them, which may have a material adverse effect on Administer's business***

To maintain its competitiveness in its sector, Administer is required to continuously identify and offer new technologies and methods, as well as make continuous investments in its technological systems in order to maintain and strengthen its market position in its business areas and to improve its existing technological environment and the equipment and software included in it. It is possible that in certain situations Administer is required to make significant investments in technology if, for example, the Company's software code should be replaced with new solutions in the future, and the deployment of new technology or development of technological knowhow may result in significant expenses for Administer. If Administer does not act appropriately, quickly or cost-effectively or fails in its investments in technology or faces unexpected demands related to them from the customers, this may have an adverse effect on Administer's ability to achieve the expected improvement of financial performance or its expenses may increase. If Administer cannot offer new technologies as quickly and efficiently as its competitors or Administer's competitors develop or offer more cost-effective applications, Administer may lose its market share. Further, the development of platforms and renewal of platforms also includes risks, and in the case of software in the last stages of their lifecycle, development projects related to changes in information technology require change management and successful deployment.

The risks mentioned above, if materialised, may have a material adverse effect on Administer's business, financial position, results of operations and future prospects.

**C. Risks Related to Administer's Financial Position and Financing**

***Administer may not succeed in obtaining financing with competitive terms and conditions or at all, and its financing costs may increase***

Administer finances its business with the cash flow from operating activities and funds available from its financing arrangements. Administer continuously aims to anticipate and monitor the financing needs of its operations to ensure that it has a sufficient amount of liquid assets for financing its operations and repaying maturing loans. Repayment of Administer's loans may result in a heavier burden than anticipated in Administer's cash flow forecasts, if Administer's business and results develop weaker than expected. Administer's business and maintaining the ability to service debts require a strong cash flow.

Due to the uncertainty in the financial market, the price of financing required for Administer's business may increase or the availability of financing may weaken. As on 30 September 2021, Administer's interest-bearing loans amounted to for EUR 6.6 million. As on the date of this Offering Circular, Administer needs debt financing in its business operations and for implementing its strategy, and it cannot be excluded that Administer's financing needs may increase in the future in connection with the execution of Administer's strategy or otherwise. Administer finances its business operations in part with the cash flow from operating activities and should Administer's customers fail to pay their invoices in a timely manner or in full, Administer's need for external financing may increase significantly. Administer's capitalisation as on 30 September 2021 is described in more detail in "*Capitalisation and Indebtedness*".

Changes in the macroeconomic environment or general conditions in the financial market may have an adverse effect on the availability, price and other terms and conditions of financing. Changes in Administer's business plan or weaker general economic or political conditions in Administer's markets may have a material effect on Administer's cash flow and increase Administer's financing needs, requiring Administer to acquire more capital. Currently, Administer cannot forecast the timing or amount of the possible financing needs.

Possible failure in obtaining financing with competitive terms and conditions may have a material adverse effect on Administer's business, financial position, results of operations and future prospects.



***A possible breach of the covenants included in the loan agreements of the Company and its Group companies may weaken the availability of financing to Administer, increase Administer's financing costs or lead to acceleration of the Group's loans***

As on the date of this Offering Circular, Administer's loan agreement with Nordea Bank Abp and Keskinäinen Työeläkevakuutusyhtiö Elo contain customary covenants relating to, among other things, certain key financial figures, such as equity ratio, and the Group's indebtedness, as well as other customary terms and conditions, such as clauses relating to the financial period, the business, granting loans and disclosures. A breach of these covenants or Administer's inability to comply with the limits imposed by the covenants may lead to a situation where Administer neglects its obligations under the loans or does not comply with them. A breach of these covenants may result in that Administer must repay the relevant loan prematurely, which would require Administer to renegotiate its financing. This, in turn, would lead to less favourable terms and conditions of the financing or the availability of financing may weaken, which may have a material adverse effect on Administer's business, financial position, results of operations and future prospects. For more information on the covenants, see "*Operating and Financial Review – Restrictions on the Use of Capital Resources*".

***Fluctuation of interest rates may increase the price of financing and through this, have an adverse effect on Administer's business***

Administer's interest-bearing loans amounted to EUR 6.6 million as on 30 September 2021. Administer's interest-bearing loans mature in accordance with the payment schedule agreed with the creditors, and the last instalment of the financing will be repaid in May 2024. The fluctuation of interest rates has an effect on Administer's results of operations by, inter alia, changing interest expenses. The fluctuation of interest rates may also have an effect on the profitability of Administer's business, as an increase in the interest rates may have a material adverse effect on the price of financing and through this, on Administer's present financing expenses. While Administer aims to monitor the development of interest rates carefully and manage its interest rate risk actively, there are no assurances Administer will be able to protect its interest rate risk adequately, and its materialisation may have a material adverse effect on Administer's business, financial position, results of operations and future prospects.

***Administer's customers may not be able to satisfy their payment obligations***

Administer's trade receivables from its customers amounted to EUR 5.5 million as on 30 September 2021, of which EUR 0.6 million were overdue receivables. Administer is exposed through its trade receivables to, for example, the credit and counterparty risk if Administer's customers are not able to satisfy their payment obligations in full or in part. Economic cycles and various disruptions in the Finnish or global economy may impair the ability of Administer's customers to satisfy their payment obligations towards Administer in full or in a timely manner if the customers face challenges in obtaining financing. In this case it cannot be excluded that in exceptional circumstances Administer's customers may not be able to satisfy their payment obligations either in full or in part in the future. It cannot be excluded that Administer's customers may fail to fulfil their payment obligations either in full or in part in the future. Should one or more contractual parties of Administer face financial difficulties or bankruptcy, the amount of Administer's credit losses may increase, which may have a material adverse effect on Administer's results of operations. Possible credit losses may have a material adverse effect on Administer's business, financial position, results of operations and future prospects.

***Possible impairment of goodwill may have a material adverse effect on Administer's business, financial position and results of operations***

Administer's balance sheet includes a significant amount of consolidated goodwill, which involves a risk of impairment if Administer's expectations of future income change significantly due to internal or external factors. Administer's consolidated goodwill amounted to EUR 22.8 million as on 30 September 2021 representing 118.1 percent of Administer's equity of EUR 19.3 million. A significant part of Administer's goodwill arose in connection with the acquisition of Silta Group Oy in 2018, as well as the acquisition of Emce Solution Partner Oy in August 2021. In financial statements prepared in accordance with the FAS, consolidated goodwill is amortised according to plan over its useful life. If Administer's expectations for future income change significantly and the likely income generated by the goodwill in the future is estimated to be lower than the amount of acquisition cost not amortised as yet, Administer may be required to recognise an impairment on the goodwill as an expense, which would result in a decrease in Administer's equity. This may have an effect on, among other things, Administer's ability to distribute dividends. Administer has not been required to recognise impairment losses on the goodwill by the date of this Offering Circular, but there are no assurances that it will not be required to recognise them in the future. Possible impairments may have a material adverse effect on Administer's business, financial position, results of operations and future prospects.

***The unaudited Pro Forma Financial Information included in the Offering Circular is presented for illustrative purposes only, and it may differ significantly from Administer's actual results of operations***

On 15 August 2021, Administer acquired the entire share capital of Emce Solution Partner Oy (the “**Acquisition of EmCe**”). Administer's unaudited Pro Forma Financial Information (the “**Pro Forma Financial Information**”) included in this Offering Circular has been prepared for illustrative purposes only to illustrate the impact of the Acquisition of EmCe on Administer's results of operations as if the acquisition and the arrangements related to it would have occurred on 1 January 2020. The hypothetical situation addressed in the Pro Forma Financial Information is not necessarily indicative of what Administer's results of operations would have been in reality had the acquisition been completed on 1 January 2020, and the Pro Forma Financial Information is not intended to indicate Administer's results of operations in the future. Administer's actual results in the future may differ significantly from the presented Pro Forma Financial Information.

When preparing the unaudited Pro Forma Financial Information, adjustments have been made to the historical information, which relate directly to the pro forma effect of the Acquisition of EmCe and the arrangements related to it and can be justified with facts. The Pro Forma Financial Information does illustrate possible cost savings, synergies or future integration expenses, which are expected to be incurred or may be incurred as a result of the Acquisition of EmCe in the future. Pro forma adjustments are described in more detail in “*Unaudited Pro Forma Financial Information*”.

Even though the Pro Forma Financial Information is illustrative by its nature and it is not intended to forecast Administer's financial performance in the future, investors may have expectations based on it, and as such, a significant deviation of the actual results from the Pro Forma Financial Information may have a material adverse effect on Administer's reputation, the value of the Share and the trust of the investors towards Administer.

#### **D. Risks Related to Legislation and Legal Matters**

***Legislation and regulations and their changes may pose challenges in Administer's business and result in significant additional costs***

Administer is required to comply with certain laws and other regulation applied to its operations relating to, among other things, to accounting, storage of personal information, employment relations, taxation and the securities markets. The services provided by Administer include financial management services, HR and payroll administration services, consulting services and software services, and Administer must therefore comprehensively take into account the laws, other legislation and regulation relating to all those services. In addition to the provisions directly affecting Administer's business, results of operations and/or financial position may also be indirectly affected by such new provisions or regulations concerning Administer's operating environment. Considering the Administer's comprehensive service offering, there are a significant number of legislation and regulation that Administer takes into account in its operations.

Possible changes in the relevant legislation, regulatory measures and requirements imposed by authorities, as well as the way these laws, regulations and measures are implemented or interpreted, and application and enforcement of new laws and regulations are beyond Administer's control. Possible changes may also have an adverse effect on Administer's business, results of operations and financial position. Changes may also require Administer to adapt its existing operations, assets and strategy in effect from time to time. If the changes affect several Administer's Group companies, the measures may result in significant need for changes and therefore to additional costs which adversely affect Administer's business, results of operations and financial position.

While Administer monitors and assesses the changes in legislation and regulations, it is not possible to forecast comprehensively the effects of these factors. Further, there are no assurances that Administer has not interpreted laws or regulation or other legislation applied to its operations in an incorrect way. Should Administer fail to comply with applicable laws and regulations, this may incur financial losses to Administer, significantly weaken Administer's possibilities to conduct its business and damage Administer's reputation.

Any risk described above, if materialised, may have a material adverse effect on Administer's business, financial position, results of operations and future prospects.

***Legal procedures, regulatory procedures or legal claims may have an adverse effect on Administer's business or result in unexpected expenses***

Administer may be subjected to a legal proceeding, regulatory procedure or legal claim related to its operations. It is inherently difficult to anticipate the final outcome of legal proceedings, regulatory procedures or legal claims, and there are no assurances on the final outcome of ongoing or future procedures or claims. In the course of its ordinary business, Administer may also face claims from its customers and it may be subjected to tax and regulatory audits. Such procedures

may be expensive and require a lot of time and resources of Administer's management, and they may result in negative publicity. Any legal proceeding, regulatory procedure or legal claim against Administer may have a material adverse effect on Administer's business, financial position, results of operations and future prospects.

#### **E. Risks Relating to the Shares**

***There are no assurances of the amount of distribution of dividends or capital repayment payable to the Share, if any, and Administer may not distribute dividends for a certain financial period or at all***

Administer's ability to distribute funds to its shareholders in the future depends on several factors, such as its future earnings, cash flows, debt servicing obligations, investments, liquidity and the terms and conditions of its existing loans, covenants included in the financing agreements and stipulations on distribution of capital of the Finnish Limited Liability Companies Act (624/2006, as amended) (the "**Finnish Companies Act**"). Furthermore, the distribution of funds requires that Administer has distributable funds as defined in the Finnish Companies Act, and the distribution of funds may not endanger Administer's liquidity as defined in the Finnish Companies Act. The general duty of Administer's Board of Directors is to ensure maintenance of Administer's liquidity despite the distribution of funds. There are no assurances that Administer will be able to distribute dividends for any financial period. For more information, see "*Dividends and Dividend Policy*".

***Future share issues may have a negative effect on the market price of the Shares and dilute the relative ownership share of the shareholders***

Administer may issue Shares due to various reasons, such as for financing its business operations, in connection with business acquisitions and as incentive for its personnel. Furthermore, should Administer require, in addition to debt financing, further equity financing through new share issues or other means of equity financing Administer may arrange new share issues with pre-emptive subscription rights for the shareholders or directed share issues deviating from the shareholders' pre-emptive subscription rights, if the general meeting provides an authorisation for this. The issuance or sale of a significant number of Shares, or an understanding that such issue or sale may occur in the future, may have an adverse effect on the market price of the Shares and on Administer's ability to raise funds through capital markets in the future. Future private offerings or rights issues where any existing shareholders decide not to exercise their subscription rights at all or only in part, may dilute the shareholder's relative ownership shares and votes in Administer.

***Share ownership in the Company is concentrated, and the largest shareholder will continue to have a significant holding and control in the Company also after the Listing***

If the Offering is completed as planned, the Company's largest shareholder Peter Aho will hold approximately 50.7 percent of the Company's all Shares and votes immediately after the Offering, assuming that the Company issues a maximum of 2,264,110 New Shares in the Offering (approximately 48.5 percent assuming that the Over-allotment Option is exercised in full).

After the Offering, Peter Aho will continue to have a significant shareholding and control in the Company, and therefore Aho may have, by himself or in cooperation with the Company's other major shareholders, control over or the ability to prevent resolutions to be made in the Company's general meetings of shareholders, such as adopting financial statements, amending the Articles of Association and certain corporate arrangements, such as mergers and demergers.

The interests of the Company's major shareholder may sometimes differ from the interests of other shareholders. Concentration of ownership may delay or prevent change of control within the Company, deny shareholders the opportunity to receive a premium for their Shares in connection with the sale of the Company, and affect the market price and liquidity of the Shares. These factors may have an adverse effect on the position of the Company's other shareholders.

***Holders of nominee Shares may not be able exercise their voting rights or other shareholder rights***

Shareholders who are not Finnish natural or legal persons and who manage their Shares through nominee registration may not necessarily be able to exercise their shareholder rights through the nominee chain. Owners of nominee-registered Shares cannot exercise their voting rights directly in the general meeting, unless the owner of the nominee-registered share has been temporarily registered in the Company's shareholders' register no later than on the date specified in the notice of the general meeting. As such temporary registration requires actions to be taken by the shareholder, the custodian and the account manager, it is possible that the registration may not properly succeed in the applicable time frame.

***Investors with a different main or reference currency than the euro are exposed to certain foreign exchange risks when investing in the Shares***

If the Listing is completed, the Shares will be priced and traded in First North in euros, and any dividends on the Shares will be paid in euros. Due to this, fluctuations in the value of the euro will affect the value of possible dividends and other distributions of unrestricted equity if the shareholder's reference or main currency differs from the euro. In addition, the market price of the Shares in foreign currencies fluctuates in part due to the fluctuation of exchange rates. This may affect the value of the Shares and possible dividends paid on them if the shareholder's reference or main currency is not the euro.

**F. Risks Relating to the Offering and the Listing**

***The Shares of the Company have not been subject to trading on any regulated market or multilateral trading facility prior to the Listing, and as such, there are no assurances that the pricing of the Shares is efficient, or that an active and liquid trading market will develop for the Shares.***

Prior to the Listing, the Company's Shares have not been subject to trading on any regulated market or multilateral trading facility. Administer aims to submit a listing application with Nasdaq Helsinki to list the Shares on the multilateral Nasdaq First North marketplace maintained by Nasdaq Helsinki on or about 7 December 2021. However, there are no assurances that an active market will emerge or can be maintained for the Shares (including the Offer Shares). The market price of the Shares may fluctuate significantly due to several factors, such as the market's perception of the Shares or similar securities, and the market price of the Company's Shares may fall below the Subscription Price of the Offer Shares. Fluctuation of market prices may result from many reasons and events, such as general events in the market, fluctuation in Administer's results of operation, the development of its business or changes in the expectations for them, or changes in the legislation having an effect on Administer's operations. Any of these factors may result in a decrease in the market price of the Shares, and the market price of the Shares may never reach the level of the Subscription Price or exceed it. The liquidity of the Shares is also uncertain. Due to the nature of First North, shares in companies listed on First North are generally subject to larger risks as compared to shares traded on the main list of Nasdaq Helsinki, and they usually have less liquidity and weaker possibilities for selling. The price of shares listed on First North may also fluctuate more as compared to shares traded on the main list of Nasdaq Helsinki. In addition, the Shares are not subject to trading on any regulated market or multilateral trading facility during the subscription period, and the Offer Shares subscribed for in the Offering cannot be sold until after the expiry of the subscription period and the Offer Shares have been credited into the book-entry accounts of the subscribers.

***The Listing may be delayed or cancelled, and the Offering may not be completed as planned or at all***

According to Administer's management, the Company fulfils the criteria set for companies listed in First North as on the date of this Offering Circular, but there are no assurances that the Listing will be completed as the Company has planned or at all. The Listing may fail due to, among others, issues relating to the execution of the Listing, decisions made by authorities, requirements set by Nasdaq Helsinki or other factors, some of which are beyond the Company's control. It is also possible that Nasdaq Helsinki does not accept the Company's listing application, which may lead to a delay in the Listing or its cancellation, as well as cause significant additional expenses and administrative burden. It is also possible that all the Offer Shares are not subscribed for in the Offering, or the Offering is not completed at all due to the factors mentioned above or otherwise. The offering is conditional to the signing of the Placing Agreement by the Company and the Lead Manager (for more information of the conditions for completing the Offering, see "*Terms and Conditions of the Offering – A. General Terms and Conditions of the Offering – Conditionality, Execution and Publishing of the Offering*"). If the Listing is not completed, the Offering will also be cancelled. Delay or failure of the Listing or the Offering may have a material adverse effect on Administer's business, financial position, results of operations and future prospects.

If the Offering is not completed, the investor cannot use the paid subscription price for any other investment until the paid subscription price has been refunded to the investor. Further information on refunding the paid subscription price is presented in section "*Terms and conditions of the Offering – A. General Terms and Conditions of the Offering – Right to Cancel the Offering*".

***Companies listed on First North are not in all respects subject to the same securities market regulation as companies admitted to trading on a regulated market, and due to this, investing in such companies may involve larger risks than investing in companies listed on regulated markets***

First North is an alternative marketplace maintained by Nasdaq Helsinki. First North companies are not in all respects subject to the same rules as on a regulated market. First North companies follow rules with lower standards adapted for small growth companies. In addition, all of the requirements of the Securities Markets Act concerning regulated markets, for example provisions on notification of major shareholdings and mandatory bid do not apply to securities admitted to

trading in First North. It is therefore possible that, for example, one shareholder would achieve actual control over the decisions made at the general meeting without the information of increased shareholding being disclosed and without an obligation to make a mandatory bid to the other shareholders of the Company. Due to these or other differences in regulation, First North companies and the rights and obligations of their shareholders differ from the rights and obligations of the companies on regulated markets and their shareholders. Investing in First North companies may, therefore, include larger risks than investing in companies listed on regulated markets.

***Subscriptions made in the Offering cannot be withdrawn or amended otherwise than in limited situations***

The subscriptions made in the Offering are binding and cannot be withdrawn or amended after a subscription has been made, except for the exceptions set forth in the terms and conditions of the Offering. For more information on the binding nature of the subscriptions and their withdrawal, see “*Terms and Conditions of the Offering – A. General Terms and Conditions of the Offering – Withdrawals of the Subscription Commitments*”. The Offer Shares will be paid in connection with the subscription, but Subscription Price may be changed during the subscription period so that in the Public Offering the Subscription Price is a maximum of the original Subscription Price, i.e. EUR 4.86 per Offer Share, and in the Personnel Offering a maximum of the original Personnel Offering Subscription Price, i.e. EUR 4.38 per Offer Share. Therefore, investors will make their investment decisions prior to the final determination of the Subscription Price and prior to having knowledge of the final result of the Offering. It should also be noted that the Offer Shares will be registered on the book-entry accounts of the investors only after the subscription period has expired, and the Offer Shares may not be transferred before they have been registered on the book-entry account of the subscriber.

## THE COMPANY, BOARD OF DIRECTORS, AUDITORS AND ADVISORS

### The Company

Administer Plc  
Itämerenkatu 5  
00180 Helsinki

### Members of the Company's Board of Directors

Jukka-Pekka Joensuu	Chairman of the Board of Directors
Peter Aho	Member of the Board of Directors
Julianna Borsos	Member of the Board of Directors
Risto Koivula	Member of the Board of Directors
Kai Myllyneva	Member of the Board of Directors
Rolf Backlund	Deputy Member of the Board of Directors

### Auditor of the Company

Ernst & Young Oy  
Alvar Aallon katu 5 C  
00100 Helsinki

### Lead Manager

Evli Bank Plc  
Aleksanterinkatu 19 A  
00100 Helsinki

### Legal Advisor to the Company

Bird & Bird Attorneys Ltd.  
Mannerheimintie 8  
00100 Helsinki

## CERTAIN INFORMATION

### Parties Responsible for the Offering Circular

Administer Plc  
Business ID: 0593027-4  
Domicile: Helsinki  
Address: Itämerenkatu 5, 00180 Helsinki

### Statement Regarding the Offering Circular

The Company has prepared this Offering Circular and is responsible for the information included in it. The Company warrants that, to the best of its knowledge, the information contained in this Offering Circular corresponds to the facts and that nothing likely to be relevant has been omitted from this Offering Circular.

The Selling Shareholder is responsible for the information presented in this Offering Circular to the extent the information is related to the Selling Shareholder and its shareholding. The Selling Shareholder assures that, the information relating to the Selling Shareholder and its shareholding contained in this Offering Circular is, to the best of its knowledge, in accordance with the facts and contains no omission of information relating to the Selling Shareholder likely to affect its import.

### Information Derived from External Sources

Where information contained in this Offering Circular has been derived from external sources, such sources have been identified herein. The Company confirms that external information included in the Offering Circular has been properly reproduced herein and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Offering Circular contains information on the competitive position of the Company and the markets wherein the Company operates, including information concerning the market size and share. Unless otherwise indicated, the estimates on the development of markets related to the Company or its field of business are based on estimates reasonably verified by the Company's management. In order to gather information of the markets, the Company's management has collected information on the markets and competition of different service entities, according to which the management of the Company has made analyses of the markets and competitive position of the Company. According to the Company's management's views, the information within this Offering Circular concerning market size gives an accurate and sufficient description of the markets in which the Company operates, and it gives an accurate description of the Company's markets and competitive position. However, this information is not certified by any independent specialist and the Company does not guarantee that a third party will come to the same conclusion and results using different methods while gathering and analysing market data.

### Availability of the Finnish Prospectus and its English Translation

The Finnish Prospectus is expected to be available on or about 3 December 2021 on the Company's website at [www.administergroup.com/listautuminen](http://www.administergroup.com/listautuminen) and Evli's website at [www.evli.com/administer](http://www.evli.com/administer). In addition, the Finnish Prospectus is expected to be available on or about 3 December 2021 at the Company's registered address Itämerenkatu 5, 00180 Helsinki.

The translation into English of the Finnish Prospectus and documents incorporated to it by reference are available on or about 3 December 2021 on the Company's website at [www.administergroup.com/IPO](http://www.administergroup.com/IPO) and Evli's website at [www.evli.com/administer-en](http://www.evli.com/administer-en).

### Forward-looking Statements

Certain statements presented in this Offering Circular, such as statements included in, among others, sections "*Summary*", "*Risk Factors*", "*Background and Reasons for the Offering and Use of Proceeds*", "*Market and Industry Overview*", "*Administer's Business*" and "*Operating and Financial Review and Future Prospects*" are based on the views of the Company's management, as well as the understanding and assumptions of the Company's management based on the information available at present, and due to this, they may be forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors, which may result in that the Company's actual future results, operations, achievements and performance of the sector may differ significantly from the results, operations, achievements and performance specifically or indirectly indicated in such forward-looking statements. Such risks, uncertainties and other important factors include, among other things, risks related to the implementation of

the Company's strategy and availability of financing, general economic and market situation and other risks described in section "Risk Factors". Forward-looking statements are not guarantee of the Company's operational or financial performance in the future.

More information on factors which may have an effect on, among other things, Administer's business, financial position, results of operations and future prospects are presented in "Risk Factors".

## **Information Related to the Financial Statements and Certain Other Information**

### ***Financial Statements and Interim Information***

The Company's audited consolidated financial statements for the financial periods ended 31 December 2020, 31 December 2019 and 31 December 2018, as well as unaudited financial information for the nine months period ended 30 September 2021 have been prepared in accordance with the Finnish Accounting Standards (the "FAS").

For the financial period ended 31 December 2019, an updated financial statement has been prepared on 19 November 2021 and an updated auditor's report on 25 November 2021, which will replace the financial statement dated 26 May 2020 and the auditor's report dated 15 June 2020 as comparative information due to presentation errors found in the cash flow statement for the financial period 2018. The updated financial statements and auditor's report have not been presented and approved by the Annual General Meeting.

A new auditor's report has been issued for the financial periods ended 31 December 2019 and 31 December 2021, due to the fact that previously the financial statement for financial period 2018 has been included only as comparative information in the cash flow statement for financial period 2019. As comparative information, it has been unaudited.

### ***Alternative Performance Measures***

This Offering Circular presents certain key figures which are alternative performance measures according to the guideline "Alternative Performance Measures" issued by the European Securities and Markets Authority (the "ESMA").

Administer presents alternative performance measures for the time period covered by the historical financial information supplementing the key figures presented in Administer's income statements, balance sheets and cash flow statements prepared in accordance with the FAS. In the view of Administer's management, alternative performance measures provide significant additional information on Administer and its results of operations and financial position to the management, investors, security market analysts and other parties. In addition, they are often used by analysts, investors and other parties. The alternative performance measures should not be considered separately from the key figures prepared in accordance with the FAS or as substitutes for them. All companies do not calculate alternative performance measures in a consistent way, and due to this, the alternative key measures presented in the Offering Circular may not be comparable with the performance measures presented by other companies with identical names. The following alternative performance measures are presented in this Offering Circular:

- EBITDA;
- EBITDA, %;
- Operating profit adjusted by amortization of goodwill;
- Operating profit adjusted by amortization of goodwill, %;
- Operating profit (loss), %;
- Profit adjusted by amortization of goodwill;
- Profit adjusted by amortization of goodwill, %
- return equity, % (ROE);
- equity ratio, %;
- debt-to-equity ratio, %;
- net sales growth, % and
- number of personnel;

These alternative performance measures and their purpose are described in "Certain Financial Information – Definitions and Calculation of Key Figures".



## ***Pro Forma Financial Information***

This Offering Circular contain financial information illustrating the impact of the acquisition of EmCe on the Company's financial information.

The unaudited Pro Forma Financial Information for the nine months ended 30 September 2021 and the financial period ended 31 December 2020 illustrate the impacts of the acquisition of Emce Solution Partner Group on the income statement as if they had materialised on 1 January 2020. Pro Forma balance sheet information is not presented, as the event mentioned above is included in the actual balance sheet as on 30 September 2021. The Pro Forma Financial Information has been prepared in accordance with the Annex 20 of the Commission Delegated Regulation (EU) 2019/980 and the accounting principles applied by Administer in its audited consolidated financial statements for financial period ended 31 December 2021.

The unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and is intended to describe the financial performance of Administer in a situation where the above events would have occurred at an earlier date. The hypothetical situation addressed in the Pro Forma Financial Information is not necessarily indicative of what Administer's results of operations would have actually been had the EmCe acquisition been completed on 1 January 2020, and the Pro Forma financial information is not intended to indicate the Administer's results of operations in the future. Administer's future actual results may differ significantly from the Pro Forma Financial Information presented in this Offering Circular. The Pro Forma Financial Information does not illustrate possible cost savings, synergies or integration expenses, which are expected to incur as a result of Acquisition of EmCe to Administer. In preparing the Pro Forma Financial Information, adjustments have been made to the historical financial information that directly affect the Pro Forma effect of the transactions resulting from the EmCe acquisition and related financing arrangements and that are justified by the facts. The unaudited Pro Forma Financial Information includes Pro Forma adjustments that are based on assumptions and that the management of Administer believes to be reasonable under circumstances.

The unaudited Pro Forma Financial Information does not include all financial statements prepared in accordance with Finnish Accounting Standards. The Pro Forma Financial Information should be read together with the historical financial information incorporated in the Offering Circular by reference and other information contained in the Offering Circular. For more information, see "*Unaudited Pro Forma Financial Information*" and "*Risk Factors – Risks Relates to Administer's Financial Position and Financing – The unaudited Pro Forma Financial Information included in the Offering Circular is presented for illustrative purposes only, and it may differ significantly from Administer's actual results of operations*".

## ***Auditors***

The Company's consolidated financial statements for the financial periods ended 31 December 2020, 31 December 2019 and 31 December 2018 have been audited by the accounting firm Ernst & Young Oy with authorised public accountant Timo Eerola acting as the auditor with principal responsibility. Timo Eerola is registered in the auditor register in accordance with Chapter 6, Section 9 of the Auditing Act (1141/2015, as amended). Ernst & Young Oy's address is Alvar Aallon katu 5 C, 00100 Helsinki, Finland. Ernst & Young Oy was appointed as the Company's auditor for the financial period ending 31 December 2021, with authorised public accountant Johanna Winqvist-Ilkka acting as the auditor with principal responsibility. Johanna Winqvist-Ilkka is registered in the auditor register in accordance with Chapter 6, Section 9 of the Auditing Act (1141/2015, as amended).

## ***Other Information***

The financial and other information presented in the tables in this Offering Circular is rounded. Accordingly, in certain instances, the sum of numbers in a column or row does not always exactly correspond to the total amount given for that column or row. In addition, certain percentages are calculated with accurate numbers before rounding, so they do not necessarily correspond to the results that would have been reached if rounded figures had been used.

In this Offering Circular, "euro" or "EUR" means the currency used by member states of the Economic and Monetary Union of the European Union, and "SEK" or "Swedish krona" means the lawful currency of Sweden.

## **Information at the Website is not a Part of this Offering Circular**

This Offering Circular will be published on the Company's website at [www.administergroup.com/listautuminen](http://www.administergroup.com/listautuminen) and Evli's website at [www.evli.com/IPO](http://www.evli.com/IPO). The information presented at the Company's website or any other websites do not constitute a part of this Offering Circular, and prospective shareholders should not rely on such information when making

their investment decision. However, the information incorporated in the Offering Circular by reference which is available at the Company's website and any supplements of the Offering Circular are a part of the Offering Circular.

### **Information Available in the Future**

The Company aims to publish an annual report including the audited financial statements and the report of the Board of Directors, a semiannual report including unaudited financial information for the first half of the year and a financial statement release including information for the entire financial period and the second half of the year.

The financial statement release for the financial period ending 31 December 2021 is scheduled to be published on or about 31 March 2022 and the annual report for the financial period ending 31 December 2021 is scheduled to be published on or about 30 April 2022. All reports of the Board of Directors, financial statements, half year reports and company releases will be published in Finnish and English.

## **IMPORTANT DATES**

7 December 2021	Subscription period of the Offering commences
14 December 2021	The earliest date when the Offering may be discontinued
16 December 2021 (estimated)	Subscription periods of the Public Offering and the Personnel Offering ends
17 December 2021 (estimated)	Subscription period of the Institutional Offering ends
20 December 2021 (estimated)	The results of the Offering are announced in a company release
20 December 2021 (estimated)	Entering of New Shares on the book-entry accounts is expected to start
21 December 2021 (estimated)	Trading in the Shares in First North is expected to commence
23 December 2021 (estimated)	Entering of Sale Shares on the book-entry accounts is expected to start

## **BACKGROUND AND REASONS FOR THE OFFERING AND USE OF PROCEEDS**

### **Reasons for the Offering**

The objective of the Offering and the Company's Listing to First North is to promote Administer's ability to implement its growth strategy which aims for organic and inorganic growth and to increase financial flexibility for the development of the business by improving the Group's solvency. In addition, the Offering aims to broaden the ownership base with new institutional and other investors, through which Administer aims to widen its financing base to support growth in line with its strategy. The purpose of the Personnel Offering is to engage and incentivise Administer's personnel.

### **Use of Proceeds**

In the Offering, the Company aims to raise gross proceeds of approximately EUR 11 million by offering a maximum of 2,264,110 New Shares for subscription with the subscription price of EUR 4.86 per share in the Public Offering and the Institutional Offering and EUR 4.38 per share in the Personnel Offering. The Company estimates that the fees and expenses payable by it in connection with the Offering will amount to approximately EUR 1.0 million, assuming that the Company raises gross proceeds of approximately EUR 11 million in the Offering. The Company's expects to receive net proceeds of approximately EUR 10 million from the Offering. The Company will pay the Lead Manager the fees according to the placing agreement.

The gross proceeds that the Selling shareholder will receive from the Share Sale will amount to approximately EUR 9.2 million, assuming that the Selling Shareholder sells the maximum number of the Sales Shares. The Selling Shareholder estimates that the fees payable by it in connection with the Offering will amount to approximately EUR 30 thousand.

The proceeds received by the Company from the Offering are intended to be used primarily for implementing and supporting Administer' growth strategy.

## TERMS AND CONDITIONS OF THE OFFERING

### A. General Terms and Conditions of the Offering

#### *The Offering*

Administer Plc (the "**Company**") aims to raise gross proceeds of approximately EUR 11 million by offering, in deviation from the shareholders' pre-emptive subscription right, preliminarily a maximum of 2,264,110 new shares (the "**New Shares**") for subscription (the "**Share Issue**"). In addition, the Company's present shareholder Bocap SME Achievers Fund II Ky (the "**Selling Shareholder**") offers a maximum of 1,900,890 of the Company's existing shares (the "**Sale Shares**", and together with the New Shares, the "**Offer Shares**") for purchase (the "**Share Sale**", and together with the Share Issue, the "**Offering**"). The Offer Shares are offered in the Institutional Offering and the Public Offering (as defined below) for a subscription price of EUR 4.86 per Offer Share (the "**Subscription Price**"). The Subscription Price is determined for the Personnel Offering (as defined below) as described in "*A. General Terms and Conditions of the Offering – Subscription Price*".

The Offering consists of (i) an institutional offering to institutional investors in Finland and internationally in accordance with the applicable legislation, excluding the United States (the "**Institutional Offering**"), (ii) a public offering to private individuals and entities in Finland (the "**Public Offering**") and (iii) a personnel offering to the personnel employed by the Company or its group companies or affiliated companies in Finland during the subscription period, and the members of the Board of Directors and of the Management Team of the Company or its group companies or affiliated companies in Finland (the "**Personnel Offering**"). The Offer Shares account approximately for a maximum of 30.7 percent of all of the Company's Shares and votes after the Offering assuming that (i) the Over-allotment Option is not exercised, (ii) the Selling Shareholder sells the maximum number of the Sale Shares and (iii) the Company issues a total of 2,264,110 New Shares (approximately 33.7 percent assuming that the Over-allotment Option is exercised in full).

The terms and conditions of the Offering are comprised of the general terms and conditions of the Offering as well as the special terms and conditions of the Institutional Offering, the Public Offering and the Personnel Offering.

#### *Share Issue*

The Company's Extraordinary General Meeting has resolved on 4 November 2021 to authorise the Company's Board of Directors to decide on issuance of a maximum of 3,000,000 new shares. The Board of Directors was further authorised to decide within the limits of the authorisation mentioned above on all terms and conditions of the share issue, including issuing shares in a directed share issue. The Company's Board of Directors is expected to decide on the issuance of New Shares, based on the authorisation, on or about 20 December 2021.

The New Shares are offered in deviation from the shareholders' pre-emptive subscription right in order to enable the listing of the Company's shares on the multilateral Nasdaq First North Growth Market Finland marketplace of Nasdaq Helsinki Ltd ("**First North**") (the "**Listing**"). The objective of the Offering and the Listing is to promote the Company's ability to implement its growth strategy which aims for organic and inorganic growth and to increase financial flexibility for the development of the business by improving the Group's solvency. In addition, the Offering aims to broaden the ownership base with new institutional and other investors, through which Administer aims to widen its financing base to support growth in line with its strategy. The purpose of the Personnel Offering is to engage and incentivise the Company's personnel. Therefore, there is a weighty reason for deviating from the shareholders' pre-emptive subscription right as defined in the Finnish Companies Act.

The subscription price payments made to the Company for the approved subscriptions for the New Shares will be recognised in their entirety in the Company's invested unrestricted equity fund. The final number of New Shares to be issued in the Share Issue will be published in a company release on or about 20 December 2021 at the subscription places of the Offering and on the Company's website at [www.administergroup.com/IPO](http://www.administergroup.com/IPO).

#### *Share Sale*

In the Offering, the Selling Shareholder will offer for purchase a maximum of 1,900,890 existing shares in the Company.

The Sale Shares represent a maximum of approximately 16.8 percent of the Shares and votes in the Company before the Offering and approximately 14.0 percent of the Shares and votes in the Company after the Offering assuming that (i) the Over-allotment Option will not be exercised, (ii) the Selling Shareholder will sell the maximum number of Sale Shares and (ii) the Company will issue 2,264,110 New Shares (approximately 13.4 percent after the Offering assuming that the Over-allotment Option is exercised in full).

### ***Conditionality, Execution and Publishing of the Offering***

The Company's Board of Directors will decide on the final number of the Offer Shares and the allocation of the Offer Shares (the "**Completion Decision**") on or about 20 December 2021. The Company will publish the Completion Decision with a company release on the Internet at [www.administergroup.com/IPO](http://www.administergroup.com/IPO) on or about 20 December 2021.

The execution of the Share Issue is conditional upon the signing of the Placing Agreement for the Share Issue (as defined below) by the Company and the Lead Manager (as defined below).

Depending on the demand, the Company's Board of Directors may deviate from the preliminary number of the shares and reallocate Offer Shares between the Institutional Offering, Public Offering and Personnel Offering as provided in the special terms and conditions of the Institutional Offering, Public Offering and Personnel Offering.

### ***Procedure in the Event of Undersubscription***

If the Offering is not subscribed for in full and, despite this, the Offering is completed, the subscriptions are allocated first to the New Shares and, after that, to the Sale Shares. In this event, the number of the Sale Shares would be decreased.

### ***Lead Manager and Subscription Places***

The Company has appointed Evli Bank Plc ("**Evli**" or the "**Lead Manager**") to act as the Lead Manager for the Offering. Evli acts as the subscription place in the Institutional Offering and the Personnel Offering. In addition to this, the Company has appointed Nordnet Bank AB ("**Nordnet**") as a subscription place, in addition to which Nordnet also accepts subscriptions in the Institutional Offering.

### ***Over-allotment Option***

In connection with the Offering, the Company's Board of Directors is expected to give Evli, who is acting as the Lead Manager, the right to increase the number of Offer Shares by a maximum of 620,000 New Shares solely to cover possible oversubscription situations in connection with the Offering (the "**Over-allotment Option**"). If the Over-allotment Option is exercised in full, a maximum of 2,884,110 New Shares can be issued and 1,900,890 Sale Shares can be sold in the Offering (4,785,000 Offer Shares in total), and as a result, the Offer Shares would account for approximately 33.7 percent of all shares and votes in the Company immediately after the Offering.

### ***Placing Agreement***

The Company and the Selling Shareholder expect that they will enter into a placing agreement (the "**Placing Agreement**") with the Lead Manager on or about 20 December 2021. For additional information, see "*Plan of Distribution in the Offering*".

### ***Lock-up***

The Company is expected to commit, during the period that will end on the date that falls 180 days from the commencement of trading in the Offer Shares, without the prior written consent of the Lead Manager, not to offer, pledge, sell, commit to sell, sell any option rights or right to purchase, purchase any option rights or right to sell, assign any option right or warrant to purchase, lend or otherwise transfer or dispose of (or publicly announce of such measures), directly or indirectly, any Shares or any securities they hold or subscribe for in the Offering entitling to Shares or exchangeable for or convertible into or exercisable for Shares, or enter into any swap or other agreement that transfers, in whole or in part, any of the financial effects of ownership of the Shares, regardless of whether any such transactions are carried out by delivery of the Shares or other securities, in cash or otherwise, or present a proposal to the Company's shareholders on implementing measures mentioned above. The lock-up does not apply to the measures related to the execution of the Offering nor to the issue of shares pursuant to the existing option rights or pursuant to employee incentive schemes created in accordance with the common market practice, nor to shares given as a means of payment in acquisitions, provided that the recipients of the shares commit to an equivalent lock-up for the remaining duration of the Company's lock-up period.

A prerequisite for participation in the Personnel Offering is that the subscriber commits to the lock-up. In accordance with the lock-up restriction, the persons participating in the Personnel Offering undertake that they will not, during the period that will end on the date that falls 365 days from the Completion Decision, without the prior written consent of the Lead Manager, issue, offer, pledge, sell, commit to sell, sell any option rights or right to purchase, purchase any option rights or right to sell, assign any option right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Shares or any securities they hold or subscribe for in the Offering entitling to Shares or exchangeable for or convertible into or exercisable for Shares, or enter into any swap or other agreement that transfers, in whole or in part,

any of the financial effects of ownership of the Shares, regardless of whether any such transactions are carried out by delivery of the Shares or other securities, in cash or otherwise. The lock-up restrictions related to the Personnel Offering are binding without regards to whether they are registered on the book-entry accounts of the shareholders or not.

The Selling Shareholder and the Company's other shareholders are expected to undertake that they will not, during the period that will end on the date that falls 180 days from the Completion Decision, without the prior written consent of the Lead Manager, issue, offer, pledge, sell, contract to sell, sell any option rights or contract to purchase, purchase any option or contract to sell, grant any option right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Shares or any securities they hold or subscribe for in the Offering entitling to Shares or exchangeable for or convertible into or exercisable for Shares, or enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Shares, whether any such transactions are to be settled by delivery of the Shares or other securities, in cash or otherwise. These lock-up restrictions are binding without regards to whether they are registered on the book-entry accounts of the shareholders or not. The undertaking is not applied to selling Sale Shares in the Offering or any shares which the party giving the undertaking subscribes for in the Offering or acquires in First North after the first day of trading in the Company's shares.

### ***Subscription Period***

The subscription period for the Institutional Offering will commence on 7 December 2021 at 10:00 a.m. and end at the latest on 17 December 2021 at 12:00 noon.

The subscription period for the Public Offering will commence on 7 December 2021 at 10:00 a.m. and end at the latest on 16 December 2021 at 4:00 p.m.

The subscription period for the Personnel Offering will commence on 7 December 2021 at 10:00 a.m. and end at the latest on 16 December 2021 at 4:00 p.m.

In the event of oversubscription, the Company's Board of Directors is entitled to discontinue the Offering on 14 December 2021 at 4.00 p.m. at earliest. The Institutional Offering, the Public Offering and the Personnel Offering can be discontinued independently. The Institutional Offering, the Public Offering and the Personnel Offering may be discontinued even if they are not oversubscribed. A company release will be published in the event of a discontinuation.

The Company's Board of Directors is entitled to extend the subscription periods for the Offering. A company release will be published in the event of an extension of the subscription period for the Institutional Offering, the Public Offering and the Personnel offering or any of them specifying the new date when the subscription period ends.

### ***Subscription Price***

The Subscription Price for the Offer Shares is EUR 4.86 per Offer Share in the Public Offering and the Institutional Offering. In the Personnel Offering, the Subscription Price is 10 percent lower than the Subscription Price, i.e. EUR 4.38 per Offer Share.

The Subscription Price can be adjusted during the subscription period, provided that in the Public Offering, the Subscription Price cannot exceed the original Subscription Price, i.e. EUR 4.86 per Offer Share, and in the Personnel Offering, the original Subscription Price of the Personnel Offering, i.e. EUR 4.38 per Offer Share. The possible change will be announced in a company release and on the Company's website at [www.administergroup.com/IPO](http://www.administergroup.com/IPO). If the Subscription Price is adjusted, the offering circular published by the Company in the Finnish language (the "**Finnish Prospectus**") is supplemented and the supplement is published with a company release. If the Subscription Price is adjusted and the Offering Circular supplemented, investors who made their Commitment (as defined below) before the Offering Circular was supplemented or corrected are entitled to withdraw their Commitment as described in " – A. *General Terms and Conditions of the Offering – Withdrawal of the Subscription Commitment*" below.

### ***Withdrawal of the Subscription Commitment***

Subscription commitments (the "**Commitment**") cannot be changed or withdrawn, otherwise than in the situations provided for in the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**").

### ***Withdrawal Right under the Prospectus Regulation***

If the Finnish Prospectus is supplemented or amended in accordance with the Prospectus Regulation due to a significant new factor, material error or material inaccuracy relating to the information included in Offering Circular that has become known after the FIN-FSA has approved the Finnish Prospectus and before the end of the subscription period, investors

who have committed to subscribe for Shares before the publication of a supplement or correction of the Finnish Prospectus have, in accordance with the Prospectus Regulation, the right to withdraw their Commitments within at least three (3) working days after the supplement or correction has been published. In addition, the use of the withdrawal right requires that the error, shortcoming or significant information that led to the supplement or correction arose or was noted before the closing of the Offering's Subscription Period. The Finnish Prospectus is in effect until the closing of the Offering's Subscription Period. If significant new facts, material errors or material inaccuracies arise after the Finnish Prospectus is no longer in effect, there is no obligation to supplement the Offering Circular. If the Offering Circular is supplemented, it will be announced through a company release. Such company release shall also contain information about the investors' right to withdraw their Commitments in accordance with the Prospectus Regulation.

#### *Procedure to Withdraw a Commitment*

If an investor wants to withdraw his or her Commitment under his or her above-mentioned right to withdraw a Commitment, the withdrawal of a Commitment must be notified in writing to the subscription place where the Commitment was made and within the time limit set for such withdrawal. However, a withdrawal is not possible through Evli's online services. Instead, it must be done at Evli's office at Aleksanterinkatu 19 A, 00100 Helsinki, Finland or by delivering the withdrawal notice in writing by fax to number +358 9 4766 9279 or by email to address [administer@evli.com](mailto:administer@evli.com), for which more detailed instructions may be requested beforehand by phone from Evli's subscription location number +358 9 4766 9573. The phone calls to Evli's customer service are recorded. Investors who have submitted their subscriptions in the Personnel Offering must send a written withdrawal request by email to [administer@evli.fi](mailto:administer@evli.fi). Investors who have submitted their subscriptions via Nordnet must send a written withdrawal request within the set time limit to [operations.fi@nordnet.fi](mailto:operations.fi@nordnet.fi) or deliver the withdrawal to Nordnet's office with the following exceptions: The Commitment submitted by Nordnet's own customers via Nordnet's online service can be withdrawn through an authorised representative or via Nordnet's online service by accepting the separate withdrawal of Commitment by using Nordnet's bank identifier. The possible withdrawal of a Commitment concerns the entire Commitment. After the period entitling to the withdrawal right has lapsed, the withdrawal right no longer exists. If the Commitment is withdrawn, the subscription place refunds the sum paid for the Shares to the bank account specified in the Commitment. The funds will be refunded as soon as possible after the withdrawal, approximately within five (5) banking days from the withdrawal notice has been issued to the subscription venue. If an investor's bank account is in a different bank than the subscription place, the refund will be paid to the investor's Finnish bank account in accordance with the payment schedule of the financial institutions, approximately no later than two (2) banking days thereafter. No interest will be paid on such repaid funds.

#### *Registration of Shares to Book-entry Accounts*

An investor making a Commitment must have a book-entry account and a related bank account with a Finnish custodian or account operator, or with another such custodian operating in Finland, and must submit his or her book-entry account number in the Commitment. An equity savings account should not be specified as the book-entry account in a Commitment submitted to the Lead Manager, as the shares subscribed for cannot be delivered to equity savings accounts. Subscriptions using an equity savings account can only be submitted to Nordnet and only to an equity savings account in Nordnet. Shares issued in the Offering are recorded in the book-entry accounts of investors who have made an approved Commitment on or about 20 December 2021. Sale Shares subscribed for and sold in the Offering will be recorded on the book-entry account of investors whose Commitment was accepted on or about 23 December 2021, when trading in the Company's shares has commenced.

#### *Title and Shareholder Rights*

The New Shares carry equal rights as the other shares in the Company, and they entitle to the dividends and other distribution of funds and other shareholder rights in the Company after the New Shares have been registered in the Trade Register maintained by the Finnish Patent and Registration Office (the "**Trade Register**") on or about 20 December 2021. The rights carried by the New Shares cannot be exercised before the New Shares are recorded on the book-entry accounts of the investors on or about 20 December 2021.

The title to the Sale Shares will be transferred to the subscribers when the Sale Shares are paid for and recorded on the investor's book-entry account.

The Sale Shares carry the equal rights as the other Shares in the Company, and they entitle to dividends and other distributions of funds as well as other rights related to the shares in the Company when the title has been transferred.

#### *Transfer Tax and Other Expenses*

Transfer tax will not be levied in connection with the subscription of the New Shares.



The Sale Shares will be sold in a multilateral trading system, when the trading in the Company's shares commences in First North, and no transfer tax is expected to be paid on these transactions in Finland. Should the transfer tax be levied, the Selling Shareholder would pay any transfer tax levied in connection with Share Sale of its Sale Shares.

No fees or other payments will be charged by the Company or the Lead Manager from the investors in connection with offers for subscription, Commitments nor subscribing for the Offer Shares. Account operators may charge fees in accordance with their price lists for the subscription and opening and maintaining of the book-entry account or other custody system and for custody of Shares.

### ***Trading in the Shares***

Prior to the Offering, the Company's Shares have not been subject to public trading at any regulated market or multilateral trading facility. The Company will submit a listing application for the admission of the Shares to public trading on First North on or about 7 December 2021. If Nasdaq Helsinki approves the Company's listing application, trading in the Company's shares is expected to commence on First North on or about 21 December 2021. The trading code of the Shares is ADMIN and the ISIN code is FI4000513411. Evli acts as the Company's Certified Adviser under the First North Nordic Rulebook.

When trading on First North commences on or about 21 December 2021, all Offer Shares may not have been fully transferred to the investors' book-entry accounts. If an investor wishes to sell Offer Shares subscribed for in the Offering, he or she should ensure, before placing the order, that the number of Offer Shares registered to his or her book-entry account covers the transaction in question at the time of the trade.

### ***Right to Cancel the Offering***

The Board of Directors of the Company is entitled to cancel the Offering at any time prior to the completion of the Offering for any reason, such as due to a material change in the market conditions, the Company's financial position or the Company's business. If the Offering is cancelled, subscription prices paid for the Offer Shares will be refunded to subscribers after approximately five (5) banking days after the cancellation decision. If the investor's bank account is in another financial institution than the subscription place, the refund will be paid to the investor's Finnish bank account in accordance with the payment schedule of the financial institutions, approximately no more than two (2) banking days later. For Nordnet's own customers that have given subscription commitments through Nordnet's own subscription place, the refund will be paid to Nordnet's cash account. No interest will be paid on such repaid funds.

### ***Other Issues***

Other issues and practical matters relating to the Share Issue will be resolved by the Board of Directors of the Company.

Other issues and practical matters relating to the Share Sale will be decided by the Selling Shareholder.

### ***Documents on Display***

The Finnish Prospectus and documents incorporated in it by reference will be available in Finnish on or about 3 December 2021 on the Company's website at [www.administergroup.com/listautuminen](http://www.administergroup.com/listautuminen) and on Evli's website at [www.evli.com/administer](http://www.evli.com/administer). In addition, the Finnish Prospectus and documents incorporated in it by reference will be available in Finnish on or about 3 December 2021 in the Company's registered office in the address Itämerenkatu 5, 00180 Helsinki, Finland.

The Finnish Prospectus and documents incorporated in it by reference will be available in English on or about 3 December 2021 on the Company's website at [www.administergroup.com/IPO](http://www.administergroup.com/IPO) and Evli's website at [www.evli.com/administer-en](http://www.evli.com/administer-en).

### ***Governing Law***

The Offering is governed by the laws of Finland. Any disputes arising in connection with the Offering will be settled by a court of competent jurisdiction in Finland.

## **B. Special Terms and Conditions Concerning the Institutional Offering**

In the Institutional Offering, a maximum of 3,000,000 Shares are preliminarily offered to institutional investors in Finland and internationally in private placement arrangements in accordance with these terms and conditions. The number of Offer Shares may be higher or lower than the number presented in these terms and conditions. Depending on the demand, the Company may reallocate Offer Shares between the Public Offering, Institutional Offering and Personnel Offering in deviation from the preliminary number of Offer Shares in accordance with these terms and conditions.

The subscription place and the Company's Board of Directors can reject a Commitment in full or in part if the Commitment is not made in accordance with these terms and conditions or it is otherwise incomplete.

The Offer Shares will be offered in the Institutional Offering in Finland and internationally in certain other countries outside the United States in compliance with The Regulation S issued under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"). The Shares have not been, and will not be, registered under the U.S. Securities Act or under the securities laws of any state of the United States and, accordingly, will not be offered or sold, directly or indirectly, in or into the United States (as defined in Regulation S of the U.S. Securities Act), unless they are registered in accordance with the U.S. Securities Act or under an exemption for the registration requirements issued under the U.S. Securities Act and in compliance with the securities laws of the states of the United States. For more information on restrictions concerning the offering of the Offer Shares, see "*Important Information*".

### ***Right to Participate***

An investor whose Commitment comprises at least 20,576 Offer Shares may participate in the Institutional Offering. An entity submitting a Commitment must have a valid LEI code.

### ***Subscription Places and Submission of Commitments***

Commitments of institutional investors are accepted by the Lead Manager and Nordnet. More information is available from Evli by calling the telephone number +358 9 4766 9123 and from the email address [administer@evli.com](mailto:administer@evli.com), or from Nordnet by calling the telephone number +358 9 6817 8444. In the Institutional Offering, Commitments are accepted in the euros.

### ***Subscription Commitments***

Certain professional investors listed below in this section have, between 12 November 2021 and 27 November 2021, agreed to be cornerstone investors in the Offering (the "**Cornerstone Investors**"). The Cornerstone Investors have each individually committed to subscribe for Offer Shares in the Offering with the Subscription Price in the total value of EUR 12.6 million, subject to customary terms and conditions. In accordance with the terms and conditions of the subscription commitments, the Company has committed to allocate in full to each of the Cornerstone Investors the amount of Offer Shares corresponding to their subscription commitments, and due to this, the Cornerstone Investors have an allocation priority over other investors. Therefore, the portion reserved for the Cornerstone Investors represents approximately 62.2 percent of the Offer Shares without the Over-allotment Option (approximately 54.2 percent assuming that the Over-allotment Option is exercised in full).

The Cornerstone Investors have committed to subscribe for the Offer Shares as follows:

- Ilmarinen Mutual Pension Insurance Company for EUR 5 million;
- Aurator Asset Management Ltd for EUR 1.6 million;
- Elo Mutual Pension Insurance Company for EUR 1.5 million;
- Oy Fincorp Ab for EUR 1.0 million;
- Oy Talcom Ab for a EUR 0.5 million;
- Oy Cata-Holding Ab for EUR 0.5 million;
- Sijoitus Oy MC Invest Ab for EUR 0.5 million;
- Jouni Monto Oy for EUR 0.2 million;
- Eyemaker's Finland Oy for EUR 0.2 million;
- Vikakono Oy for EUR 0.2 million;
- K22 finance Oy for EUR 0.2 million;
- Suotuuli Oy for EUR 0.2 million;
- Oy Novatum Ab for EUR 0.2 million;
- Taloustieto Incrementum Oy for EUR 0.2 million;
- Rantanplan Oy for EUR 0.2 million;
- Rantalainen-Yhtiöt Oy for EUR 0.2 million;
- Sulovilen Oy for EUR 0.1 million; and
- Harry Lindström for EUR 0.1 million.

The subscription commitments of the Cornerstone Investors represent approximately 62.2 percent of the total number the Offer Shares without the Over-allotment Option assuming that (i) the Selling Shareholder sells the maximum number of Sale Shares and (ii) the Company issues 2,264,110 New Shares (approximately 54.2 percent, assuming that the Over-Allotment Option is exercised in full).

### ***Payment for the Shares***

Institutional investors must pay for the Shares corresponding to their accepted subscription in accordance with the instructions issued by the Lead Manager or Nordnet on or about 23 December 2021. In connection with the submission of the Commitment and before its approval, the Lead Manager and Nordnet have the right, provided by the duty of care set for securities intermediaries, to require that the investor provides information concerning its ability to pay for the Shares corresponding to its order or require that the payment corresponding to the Commitment to be made in advance. Possible refunds will be paid on or about the fifth (5th) banking day following the Completion Decision. If the investor's bank account is in a different bank than the subscription place, the refund will be paid to the investor's Finnish bank account in accordance with the payment schedule of the financial institutions, approximately no later than two (2) banking days thereafter. No interest will be paid on the refunded amount.

### ***Approval of the Commitments***

The Company, Board of Directors and the Seller will decide on the approval of the Commitments made in the Institutional Offering. The Commitments can be approved in full or in part or they may be rejected.

The Cornerstone Investors have an allocation preference in the Offering. The Cornerstone Investors do not receive any compensation for their subscription commitments, and the investments of the Cornerstone Investors will be made at the Subscription Price.

A confirmation of the approved Commitments in the Institutional Offering will be provided as soon as practicable after the allocation of the Offer Shares.

### **C. Special Terms and Conditions Concerning the Public Offering**

The preliminary number of Offer Shares offered to private individuals and entities in Finland in the Public Offering is a maximum of 1,030,000 Offer Shares. Depending on the demand, the Company may reallocate Offer Shares between the Institutional Offering, the Public Offering and the Personnel Offering in deviation from the preliminary number of Offer Shares in accordance with these terms and conditions. However, the minimum number of Offer Shares offered in the Public Offering will be 824,000 Offer Shares, or if the number of the Offer Shares covered by the Commitments made in the Public Offering in accordance with its terms and conditions is lower than that, the number of the Offer Shares covered by such Commitments.

The subscription place and the Company's Board of Directors have the right to reject a Commitment, either in full or in part, if the Commitment does not comply with the terms and conditions herein or if it is otherwise incomplete.

### ***Right to Participate, the Minimum and Maximum Amounts for Commitments***

Shares will be offered in the Public Offering to investors whose domicile is in Finland and who submit their Commitments in Finland. For more information on the restrictions on offering the Offer Shares, see "*Important Information*". Commitments in the Public Offering must cover a minimum of 150 Shares and a maximum of 20,575 Offer Shares. Each investor may only submit one Commitment in the Public Offering. All Commitments submitted by an investor in one or several subscription places will be combined into one Commitment, and the minimum and maximum amounts mentioned above are applied to it. However, the Commitments submitted by the same subscriber both in the Public Offering and the Personnel Offering will not be combined.

### ***Places of Subscription, Payment of the Offer Shares and Submission of Commitments***

The subscription places in the Public Offering are:

- Evli's online service at [www.evli.com/administer-en](http://www.evli.com/administer-en). In the online service, subscriptions can be submitted using the online bank credentials of Evli Bank, Aktia, Danske Bank, Handelsbanken, Nordea Bank, Oma Savings Bank, OP Bank, POP Bank, S-Bank, Savings Bank and Ålandsbanken. The subscription shall be paid when making the subscription and the subscriber is required to ensure that the subscription price does not exceed the possible daily limit for transfer of funds from the investor's bank account. The subscription cannot be made in the online service without settling the payment at the same time. In addition, when an individual is submitting a subscription on behalf of an entity, they are required to prove their authority for the subscription by delivering a trade register extract or other document proving the authority to the email address [administer@evli.com](mailto:administer@evli.com).
- Evli's office at the address Aleksanterinkatu 19 A, 00100 Helsinki, Finland during business days between 9:00 a.m. and 4:00 p.m. (Finnish time). The possibility of submitting subscriptions in the office is conditional to the

possible restrictions imposed by the authorities, and the possibility of submitting a subscription in the office cannot be guaranteed. Should an investor wish to submit a subscription at the office of the Lead Manager, the investor is required to make a prior booking for an appointment for the subscription. The booking of the appointment shall be made at the latest on the first business day after the commencement of the relevant subscription period. The booking request can be emailed to [administer@evli.com](mailto:administer@evli.com). The investor must provide proof of identity when submitting a subscription. An individual submitting a subscription on behalf of an entity must provide an authorisation for the subscription. Entities subscribing for the Offer Shares must have a valid LEI code. The subscription must be paid to Evli's bank account in accordance with the instructions presented in the subscription form.

- Evli's subscription point, where the subscription can be delivered by telefax or email. More detailed instructions for submitting the subscription by telefax or email and paying for the subscription must be requested beforehand from Evli's subscription point by calling +358 9 4766 9573. Calls to Evli's customer service are recorded.
- Nordnet's online service at [www.nordnet.fi/fi/administer](http://www.nordnet.fi/fi/administer). In the online service, subscriptions can be submitted using the online bank credentials of Nordnet, Aktia, Danske Bank, Handelsbanken, Nordea, Oma Savings Bank, OP Bank, POP Bank, S-Bank, Savings Bank and Ålandsbanken.
  - Subscription commitments to an equity savings account can only be made through Nordnet and only to an equity savings account in Nordnet.

When agreed separately, a subscription can also be submitted in the Public Offering in Nordnet's office at the address Yliopistonkatu 5, 00100 Helsinki, Finland during business days between 1:00 p.m. and 5:00 p.m. (Finnish time). For the purpose of making a subscription at Nordnet's office, an appointment must be booked in advance by calling +358 2 0198 5898. The Commitment will be considered to have been made when the investor has submitted a signed commitment form to the subscription place in accordance with the instructions in case the investor subscribes for the shares in Evli's or Nordnet's offices or confirmed the Commitment in the online service using the online bank credentials and paid the subscription according to the Commitment. Commitments made with a subscription form delivered to the subscription place shall be paid to the bank account of the bank acting as the subscription place immediately after the submission of the subscription form in accordance with the instructions given in the subscription form. Commitments made in the online service are paid using the online bank credentials at the time of making the Commitment. The Commitment shall be paid from a bank account registered in the name of the investor.

Estates or individuals under guardianship cannot submit a subscription in Evli's online service, and instead, they are required to make the subscription by telefax or email or in Evli's offices. A Commitment can also be submitted on behalf of an entity through Nordnet's and Evli's online service. Estates or individuals under guardianship that are not Nordnet's own customers cannot submit a Commitment in Nordnet's online service, and instead, they are required to make the Commitment in Nordnet's offices. The visit must be agreed separately. The Commitment in the Public Offering is binding and cannot be changed, and it can only be withdrawn in the specified manner and situations referred to above under “– A. *General Terms and Conditions of the Share Issue – Withdrawal of Commitments*”. Commitments violating the terms and conditions will be rejected afterwards. The Subscription Price multiplied with the number of Shares specified in the Commitment shall be paid at the time of the submission of the Commitment.

#### ***Approval of Commitments and Allocation of the Shares***

The Company's Board of Directors decides on the approval of the subscriptions for the Offer Shares in the Public Offering. The Commitments can be approved in full or in part. In the event of oversubscription, the Company aims to approve the Commitments submitted in the Public Offering up to the limit to be determined later. In respect of excess of this amount, the Company's Board of Directors shall seek to allocate the Offer Shares pro rata to the amount not fulfilled in the Commitment. The final allocation principles for the Offer Shares will be published through a company release on or about 20 December 2021, in the subscription places of the Share Issue and on the Company's website at [www.administertgroup.com/IPO](http://www.administertgroup.com/IPO). A confirmation of the approval of the Commitments and the allocation of the Offer Shares will be sent to all investors who participated in the Public Offering as soon as possible to the address specified in the Commitment. Investors who have submitted their Commitments as Nordnet's customers through Nordnet's online service will see their Commitments as well as allocation of Offer Shares on the transaction page of Nordnet's online service. The Commitment is binding without regards to the confirmation notice and its receipt.

#### ***Refund of Paid Amount***

If a Commitment is rejected or approved only in part, and the Subscription Price is lowered as described in “– A. *Terms and Conditions of the Offering – Subscription Price*”, the paid excess amount is refunded to the provider of the Commitment to the Finnish bank account specified in the Commitment, or in the case of Nordnet's customers, to the cash account

in Nordnet on or about the fifth (5) banking day after the Completion Decision, i.e. on or about 28 December 2021. If the investor's bank account is in a different bank than the place of subscription, the refund will be paid to a Finnish bank account in accordance with the payment schedule of the financial institutions, approximately no later than two (2) banking days thereafter. If the Commitments of an investor have been combined, the possible refund will only be paid to one bank account of the investor. No interest will be paid on the refunded amount.

#### **D. Special Terms and Conditions Concerning the Personnel Offering**

The preliminary number of New Shares to be offered is a maximum of 135,000 New Shares for employees employed by the Company or its Group companies or affiliated companies during the subscription period in Finland as well as the members of the Board of Directors and management team of the Company and its Group companies or affiliated companies in Finland. Depending on the demand, the Company may reallocate Offer Shares between the Public Offering, Institutional Offering and Personnel Offering in deviation from the preliminary number of Offer Shares in accordance with these terms and conditions. However, the minimum number of Offer Shares offered in the Public Offering will be 824,000 Offer Shares, or if the number of the Offer Shares covered by the Commitments made in the Public Offering in accordance with its terms and conditions is lower than that, the number of the Offer Shares covered by such Commitments.

The subscription place and the Company's Board of Directors has the right to reject a Commitment, either partially or in full, if the Commitment does not comply with the terms and conditions herein or if it is otherwise incomplete.

##### ***Right to Participate, Minimum and Maximum Amounts for Commitments***

Employees with a valid employment relationship in the Company or its group companies and affiliated companies in Finland which has not been terminated at the end of the subscription period, and the members of the Board of Directors and management team of the Company or its group companies and affiliated companies in Finland are entitled to participate in the Personnel Offering.

The right to participate in the Personnel Offering is personal and cannot be transferred. However, the individuals entitled to a subscription can make the subscription via a proxy. The Commitment in the Personnel Offering must concern a minimum of 150 and a maximum of 20,575 Offer Shares per investor. Each investor can only submit one Commitment in the Personnel Offering. The Commitments provided by the same subscriber both in the Public Offering and the Personnel Offering will not be combined.

##### ***Places of Subscription, Payment of the Offer Shares and Submission of Commitments***

Evli accepts Commitments in accordance with separate instructions provided to the individuals or entities entitled to participate in the Personnel Offering.

The Commitment will be considered to have been made when the subscription place has received the Commitment from the investor in accordance with the instructions and the investor has paid for the subscription corresponding the Commitment. Any more detailed instructions provided by the subscription place shall be taken into account when submitting a Commitment. The Commitment in the Personnel Offering is binding and cannot be changed, and it can only be withdrawn in the specified manner and situations referred to above under “– A. General Terms and Conditions of the Share Issue – Withdrawal of Commitments”.

##### ***Approval of the Commitments and Allocation of the Shares Offered in the Personnel Offering***

The Board of Directors of the Company decides on the approval of the subscriptions for New Shares in the Personnel Offering. The Commitments can be approved or rejected in full or in part. In the event of an oversubscription, the Company aims to approve the Commitments submitted in the Personnel Offering in up to the limit to be determined later and allocate Offer Shares offered in the Personnel Offering pro rata the unfilled amounts of the Commitments. See also “– A. General Terms and Conditions of the Share Issue – Withdrawal of Commitments”. A confirmation notice on the approval of the Commitments and the allocation of the Offer Shares will be sent to all investors who participated in the Personnel Offering as soon as possible to the address specified in the Commitment. The Commitment is binding without regards to the confirmation notice and its receipt.

##### **Other Issues**

The Company is aware that a group consisting of certain largest shareholders of the Company, members of the Board of Directors and management team, as well as personnel, intends to subscribe to the Offer Shares in the Personnel Offering. The Company is not aware that any individual intends to subscribe for more than five percent of the Offer Shares.

## CAPITALISATION AND INDEBTEDNESS

The table below sets forth the Company's (i) capitalisation and indebtedness as on 30 September 2021 based on the Company's unaudited interim financial information for the nine months ended 30 September 2021 prepared in accordance with the FAS and (ii) the Company's adjusted capitalization and indebtedness as on 30 September 2021, taking into account the share capital increase and the share issue related to the acquisition of Tilikamut Oy, implemented between 30 September 2021 and the date of the Offering Circular, and described in more detail in the table's footnotes.

This table should be read together with the sections "Risk Factors", "Selected Financial Information" and "Operating and Financial Review and Future Prospects" as well as the consolidated financial statements incorporated by reference to this Offering Circular.

(TEUR)	30 September 2021	
	Unaudited	Adjusted
<b>Capitalisation</b>		
<b>Current interest-bearing financial liabilities</b>		
Guaranteed/Secured.....	2,940	2,940
Unguaranteed/Unsecured	388	388
<b>Total current interest-bearing financial liabilities</b>	<b>3,328</b>	<b>3,328</b>
<b>Non-current interest-bearing financial liabilities</b>		
Guaranteed/Secured.....	2,391	2,391
Unguaranteed/Unsecured.....	911	911
<b>Total non-current interest-bearing financial liabilities</b>	<b>3,303</b>	<b>3,303</b>
<b>Total interest-bearing financial liabilities</b> .....	<b>6,631</b>	<b>6,631</b>
<b>Equity</b>		
Share capital .....	3	80 <sup>1)</sup>
Other reserves .....	15,813	16,175 <sup>1)2)</sup>
Retained earnings (losses) .....	3,918	3,918
Profit (loss) for the period	-462	-462
<b>Total equity</b> .....	<b>19,271</b>	<b>19,711</b>
<b>Total equity and financial liabilities</b> .....	<b>25,902</b>	<b>26,342</b>
<b>Net indebtedness</b>		
Financial securities <sup>3)</sup>	349	349
Cash and cash equivalents .....	992	992
<b>Liquidity (A)</b> .....	<b>1,341</b>	<b>1,341</b>
<b>Current financial liabilities</b> .....		
Non-current financial liabilities classified as current	2,940	2,940
Other liabilities	388	388
<b>Total current financial liabilities (B)</b> .....	<b>3,328</b>	<b>3,328</b>
<b>Current indebtedness, net (C=B-A)</b> .....	<b>1,987</b>	<b>1,987</b>
Non-current financial liabilities (D) .....	2,391	2,391
Other non-current liabilities (E).....	911	911
<b>Total non-current financial liabilities (F=D+E) ..</b>	<b>3,303</b>	<b>3,303</b>
<b>Total net indebtedness (G=C+F)</b> .....	<b>5,290</b>	<b>5,290</b>

- 1) On 4 November 2021, the Company's Extraordinary General Meeting resolved to change the Company's legal form to a public limited company. In connection with the change of the legal form EUR 77,477.18 increase of share capital was carried out. The Company increased share capital from the invested unrestricted equity fund.

- 2) In October 2021, the Company acquired all shares in Tilikamut Oy through an exchange of shares, in which the purchase price was paid by issuing new shares in the Company to the shareholders of Tilikamut Oy. The share issue, EUR 440,000 was recognised in the Company's invested unrestricted equity as on 4 November 2021.
- 3) Financial securities consist of certain special investment fund units, which were transferred to Administer in connection with the completion of the EmCe acquisition on 15 August 2021.

The Company's off-balance sheet liabilities are described in section "*Operating and Financial Review and Future Prospects – Off-Balance-Sheet Commitments*".

The Company's capitalisation and indebtedness have not changed significantly, except as described above, between 30 September 2021 and the date of this Offering Circular.

### **Working Capital Statement**

In the opinion of the Company's management, the Company's working capital is sufficient for the Company's present needs for the 12 months following the date of this Offering Circular.

## DIVIDENDS AND DIVIDEND POLICY

In accordance with the dividend policy confirmed by the Company's Board of Directors on 5 November 2021, the Company aims to distribute a dividend of at least 30 percent of its goodwill amortization adjusted profit annually.

Any dividends and their amount and timing of payment will depend on the Company's future results, financial position, cash flows, investment needs, solvency, the ability of the Company's subsidiaries to distribute dividends and other factors.

There are no assurances that dividends will be paid in the future or as to the amount of any dividends paid in the future.

No dividend was paid for the financial periods ended 31 December 2020, 31 December 2019 and 31 December 2018. The Company's distributable funds amounted to EUR 9,762,573.03 for the financial period ended 31 December 2020, EUR 7,322,077.07 for the financial period ended 31 December 2019 and EUR 6,939,029.34 for the financial year ended 31 December 2018.

Under the Finnish Limited Liability Companies Act, the General Meeting of Shareholders decides on the distribution of dividends based on a proposal by the Company's Board of Directors. Dividends are generally declared once every financial year and may be paid only after the General Meeting of Shareholders has approved the Company's financial statements.

If dividends are distributed, all of the Shares of the Company are entitled to the equal dividend. The dividends paid by the Company for any year will not be indicative of the dividends to be paid after the said year. For a description of the restrictions applicable to dividend distributions, see "*Shares and Share Capital – Shareholders' Rights – Dividends and Distribution of Other Unrestricted Equity*".

As to the tax considerations for certain shareholders applicable to dividends, see "*Taxation*".



## MARKET AND INDUSTRY REVIEW

The discussion below includes market and industry information that are, in part, based on information derived from third-party sources and internal estimates made by Administer. In addition, the discussion below includes estimates on market positions based on information received by Administer from non-public sources and the knowledge of Administer's management on the relevant industries and markets. While Administer considers the information presented in the Offering Circular and the sources to be reliable, the Company has not verified the information independently, and as such, it cannot guarantee their validity. According to the Company's best understanding, no material information from other sources is omitted in this market and industry review that would be in conflict with the presented information and would give a wrong image of the market.

### Introduction

Administer operates in the market for services and software for financial and payroll management, as well as HR services and other professional services supporting the business of companies. As a part of its strategy, the Company has developed its own service business so that artificial intelligence and financial management software automate some previously manual tasks. Consequently, this improves the efficiency of the work as the professionals can focus on higher value-added work. The Group serves a large customer base from small entrepreneur-driven companies to large listed companies in several industries. The Group has 21 offices in Finland, as well as one in both Estonia and Sweden. As on 30 November 2021, the Group had 590 employees.

While Administer's target markets are very defensive by their nature, changes in the economy have a general effect on companies in Finland and as such, also on the customers of the financial management sector. A part of the net sales is generated by transaction-based sales, and in this case, a decrease in the transaction volume of the customers also has a negative effect on the development of the service provider's net sales. Administer's wide and diversified customer base of various sizes and different industries reduce industry-specific risk, but large-scale economic changes inevitably also affect the financial development of the financial management sector. For example, during the Covid-19 pandemic, the processed transaction volume of Administer's customers decreased when the business activity levels stalled. However, according to the Bank of Finland, the weaker economic situation caused by the Covid-19 pandemic is soon expected to start to improve, and Finland's GDP is expected to grow quickly in 2021–2022.

**Table 1. Key outcome of the interim forecast of Bank of Finland, 16 September 2021<sup>3</sup>**

Year	2019	2020	2021E	2022E	2023E
Gross domestic product, annual growth (%)	1.3	-2.9	3.5	2.8	1.3
Employment rate (%)	71.7	70.7	72	72.7	73.2
Inflation (%)	1.1	0.4	1.9	1.5	1.6

### Financial Management Market in Finland

In Finland, the majority of the market for outsourced financial management services relates to the accounting firm business. The Finnish accounting firm market has historically been very stable, and the strong foothold of small and local accounting firms define the sector which is changing relatively slowly. The number of accounting firms operating in Finland has remained slightly over 4,000 for the last ten years. According to Statistics Finland, a total of 4,051 accounting firms operated in Finland in 2020, and the average number of personnel per company was approximately 3.2, demonstrating the large significance of small accounting firms in the sector. In 2020, the size of the accounting firm market in Finland was approximately EUR 1.23 billion, representing a compound average annual growth rate (CAGR) of 5.2 percent from 2001. The stable growth of the total net sales in the market and its relatively small fluctuation reflects the defensive nature of the accounting firm market due to the statutory nature of the financial management of companies. Without regard to economic cycles, companies are required to see to accounting and appropriate reporting to the authorities, and due to this, in the view of Administer's management, the demand for financial management services does not change in the same proportion as the financial development of the customers' underlying business. The defensive nature and stable growth rate are demonstrated by, for example, the growth of the market also through the financial crisis in 2007–2009 at an average growth rate of 7 percent per year, while at the same time, Finland's gross domestic product decreased by approximately 3 percent in total.<sup>4</sup>

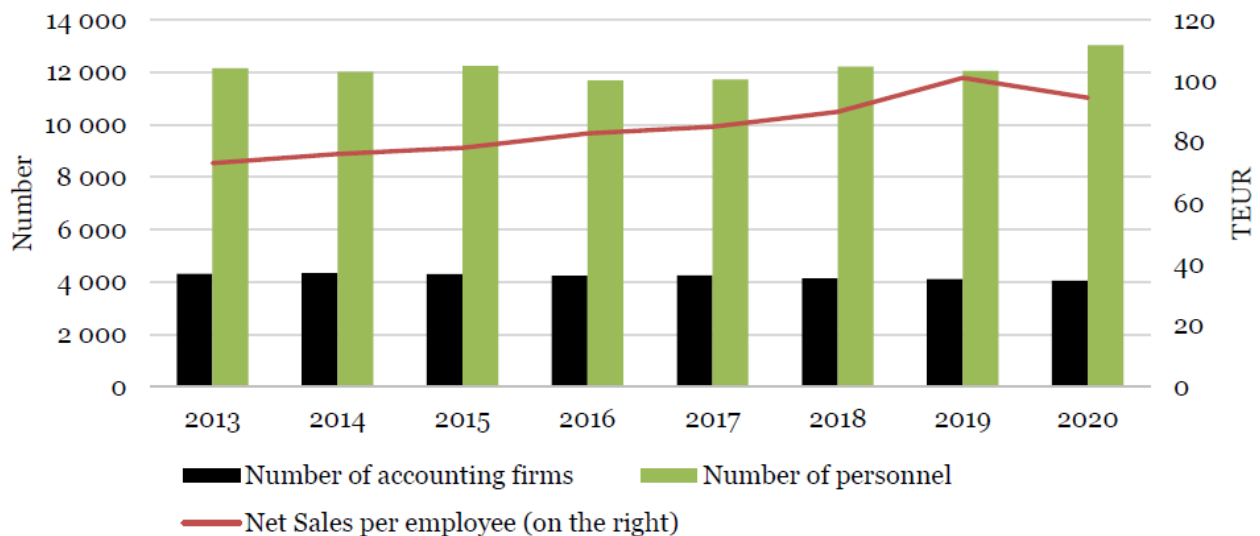
<sup>3</sup> Source: Bank of Finland. Interim Forecast for Finnish Economy – September 2021. (<https://www.eurojatalous.fi/fi/2021/artikkelit/talous-toipuu-vauhdilla/>).

<sup>4</sup> Source of the figures in the paragraph: Statistics Finland; Structural business and financial statement statistics, Annual national accounts. Industry 69201 Accounting and accounting services used as a definition of an accounting firm. Data on accounting firms: ([https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin/StatFin\\_\\_yri\\_\\_yrti\\_\\_oik/statfin\\_yrti\\_pxt\\_11qc.px/table/tableViewLayout1/](https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin/StatFin__yri__yrti__oik/statfin_yrti_pxt_11qc.px/table/tableViewLayout1/)) and ([https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin\\_Passiivi/StatFin\\_Passiivi\\_\\_zzz\\_\\_syr\\_\\_010\\_yr\\_tol08/060\\_syr\\_tau\\_106\\_fi.px/](https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin_Passiivi/StatFin_Passiivi__zzz__syr__010_yr_tol08/060_syr_tau_106_fi.px/)).

**Chart 2. Development of the accounting firm market in Finland.<sup>5</sup>**



**Chart 3. Development of the number of accounting firms and their personnel in Finland.<sup>6</sup>**



The customer base in the financial management sector comprises a wide range of different companies practically in all industries. In particular, small and medium-sized companies play a significant role as the customers of accounting firms, as small companies often outsource their financial management due to their limited resources and skills. The majority of Finnish companies are small or medium-sized; Chart 4 illustrates that 85 percent of Finnish companies are in the net sales category of under EUR 400,000, and this structure reflects the strong demand for outsourced financial management services. Larger companies maintain their accounts more often in-house, but they represent a different kind of demand for financial management relating to, for example, consulting or software. The wide customer base of the financial management sector representing several industries decreases the industry-specific market risk of the service providers.<sup>7</sup>

GDP-data: ([https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin/StatFin\\_\\_kan\\_\\_vtp/statfin\\_vtp\\_pxt\\_11sf.px/](https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin/StatFin__kan__vtp/statfin_vtp_pxt_11sf.px/)).

<sup>5</sup> Source: Statistics Finland; Structural business and financial statement statistics, Finnish enterprises, Annual national accounts. Industry 69201 Accounting and accounting services used as a definition of an accounting firm. Data on accounting firms:

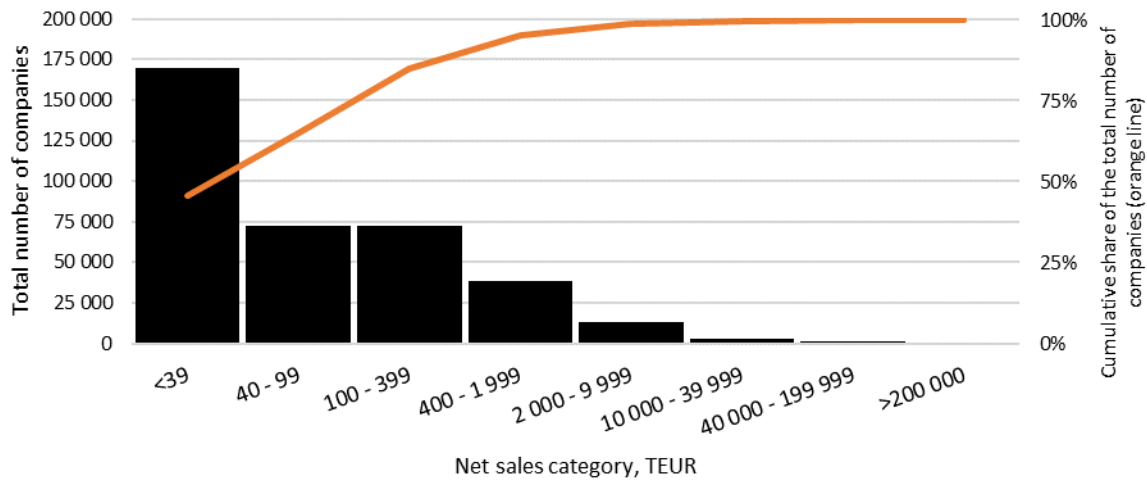
([https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin/StatFin\\_\\_yri\\_\\_yrti\\_\\_oik/statfin\\_yrti\\_pxt\\_11qc.px/table/tableViewLayout1/](https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin/StatFin__yri__yrti__oik/statfin_yrti_pxt_11qc.px/table/tableViewLayout1/)) and

([https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin/Passiivi/StatFin\\_Passiivi\\_zzz\\_syr\\_010\\_yr\\_tol08/060\\_syr\\_tau\\_106\\_fi.px/](https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin/Passiivi/StatFin_Passiivi_zzz_syr_010_yr_tol08/060_syr_tau_106_fi.px/)). GDP-data: ([https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin/StatFin\\_\\_kan\\_\\_vtp/statfin\\_vtp\\_pxt\\_11sf.px/](https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin/StatFin__kan__vtp/statfin_vtp_pxt_11sf.px/)).

<sup>6</sup> Source: Statistics Finland; Structural business and financial statement statistics. (See above footnote).

<sup>7</sup> Source of the chapter: Estimate by the management.

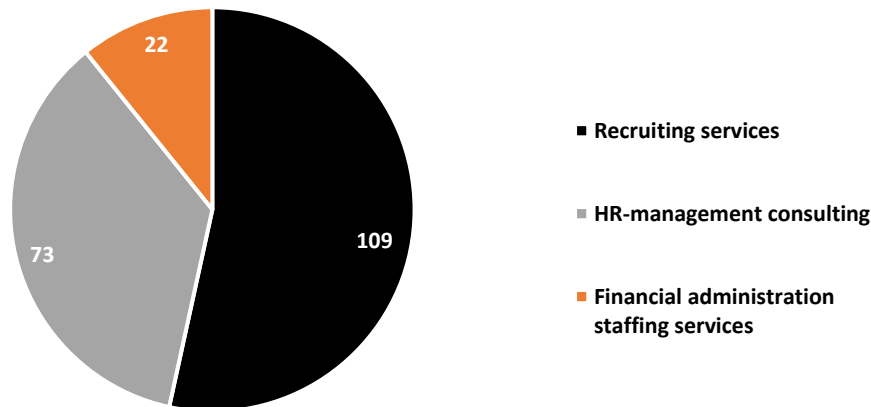
**Chart 4. Pareto diagram on Finnish companies by net sales category in 2020.<sup>8</sup>**



### HR Service Market in Finland

Administer’s target market in the HR services sector relates particularly to HR consulting, recruitment services and staff leasing for financial management. In 2019, the total net sales of these service sectors amounted to approximately EUR 200 million in Finland. The HR management sector is expected to evolve to become a more comprehensive part of the business, and through this, increase its importance at companies.<sup>9</sup> In the view of the Company’s management, the development of the HR services sector is still in its early phase, as for example, the significance of data analytics and organisational planning is only being recognised by the companies as the technological development defines the future direction.

**Chart 5. Size of HR market targeted by Administer (EUR million) in Finland by service category.<sup>10</sup>**



### Transformation of the Industry and Key Growth Drivers

In the view of the Company’s management, after remaining largely unchanged for quite a long time, the financial management sector has turned to a strong growth track in recent years, as new technology, the increased significance of

<sup>8</sup> Source: Statistics Finland; Structural business and financial statement statistics. ([https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin/StatFin\\_\\_yri\\_\\_yrti\\_\\_oik/statfin\\_yrti\\_pxt\\_11qd.px/](https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin/StatFin__yri__yrti__oik/statfin_yrti_pxt_11qd.px/)).

<sup>9</sup> Source: Deloitte; Human Capital Trends 2020. Report downloadable at: <https://www2.deloitte.com/nz/en/pages/human-capital/articles/2020-global-human-capital-trends.html>.

<sup>10</sup> Source: Statistics Finland, Business Services. The following categories of Statistics Finland are included in recruitment services: Staff recruitment services (except executive recruitment services), Executive recruitment services. ([https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin/StatFin\\_\\_pav\\_\\_palhy/statfin\\_palhy\\_pxt\\_11zl.px/](https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin/StatFin__pav__palhy/statfin_palhy_pxt_11zl.px/)).

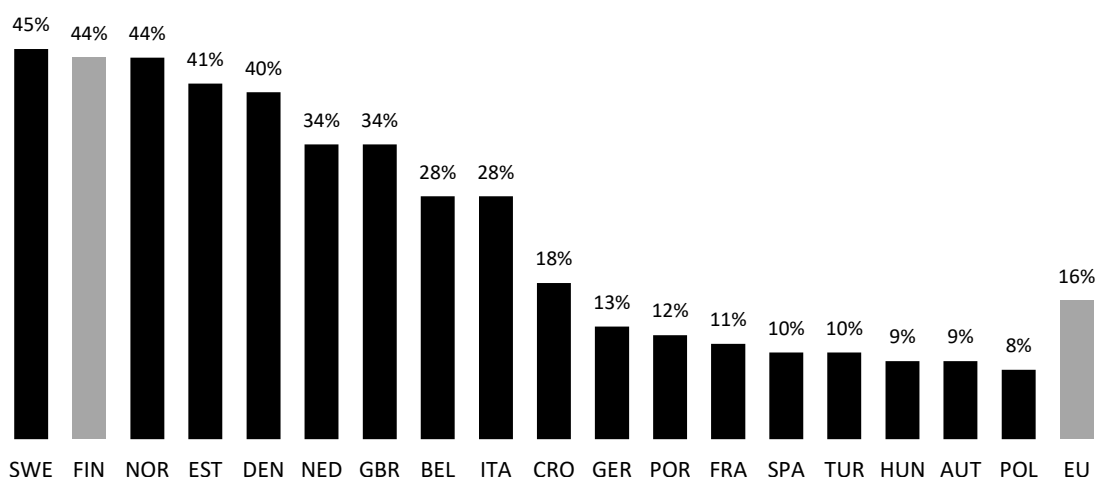
consulting services, the outsourcing of business support services and the consolidation of the market mostly defining the future direction of the sector.

### ***Technological Disruption and Software for Financial Management***

The digitalisation of financial management has driven the sector’s transformation in the recent years. Paperless accounting has spread rapidly, and it has also been pursued through legislation, including Directive 2014/55/EU of the European Parliament and of the Council of 16 April 2014 on electronic invoicing in public procurement, as well as the Finnish Act on Electronic Invoicing of Procurement Units and Companies (241/2019, as amended), governing the right of companies to request an electronic invoice. In electronic invoicing, the Nordic countries are ahead of other European countries with a implementation rate of over 50 percent both in the B2B and B2C sectors.<sup>11</sup>

Along the digitalisation of financial management, financial management software has significantly changed the sector. Finland is ahead of the majority of other European countries in the technological disruption of financial management. As shown in Chart 6, Sweden, Finland and Norway are ranked as leading countries in the implementation rate of cloud-based financial management services with an implementation rate of over 43 percent, while the average in the EU is 16 percent. Finland is a forerunner in the deployment of cloud-based financial management services, and their popularity has increased quickly; according to Statistics Finland, only 20 percent of companies used such services in 2014, as compared to the implementation rate of 44 percent in 2019. However, the deployment of cloud-based financial management services is progressing rapidly on the entire European level; one year earlier in 2018, only 9 percent of companies purchased cloud-based financial management services on the EU level.<sup>12</sup> The rapid increase of the implementation rate on the EU level demonstrates the international market potential of software-driven companies in the financial management sector.

**Chart 6. Implementation rate of cloud-based financial management services in European companies in 2020.<sup>13</sup>**



### ***Increasing Significance of Consulting Services for Financial Management***

At present, companies increasingly require advisory and consulting services due to their continuously evolving and more complex operating environment. As basic accounting tasks are automated, the needs of small and medium-sized companies are increasingly shifting to consulting services provided by accounting professionals, which creates new demand for consulting services. The demand for consulting services which has traditionally focused on large companies has widened to include also small companies, which need comprehensive and personal services for extensive planning of their financial management. For example, according to the Company’s experience, the significance of consulting on taxation and ownership structures, as well as analytics services, have increased and supported demand for consultation services.<sup>14</sup>

<sup>11</sup> Source: Billentis; E-Invoicing / E-Billing International Market Overview & Forecast (2021). ([https://www.billentis.com/einvoicing\\_ebilling\\_market\\_overview\\_2021.pdf](https://www.billentis.com/einvoicing_ebilling_market_overview_2021.pdf)).

<sup>12</sup> Source: Eurostat. Cloud computing services. Definition used ”Buy finance or accounting software applications (as a CC service)”. ([https://ec.europa.eu/eurostat/databrowser/view/isoc\\_cicce\\_use/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/isoc_cicce_use/default/table?lang=en)) The statistic contains companies that purchase financial management software applications excluding financial institutions and companies with less than 10 employees.

<sup>13</sup> Source Eurostat. (See above footnote).

<sup>14</sup> Source of the chapter: Estimate by the management.

## ***Outsourcing of Financial and Payroll Management***

Companies can, of course, take care of their accounting and financial management tasks on their own, or alternatively outsource their financial management to a third party. As such, the market setup can be seen as internal financial management and service providers of outsourced financial management. In recent years, a global trend has emerged in the business world where companies have started to prefer outsourced business support services to an increasing extent.<sup>15</sup> Outsourced financial management enables the streamlining of the business and cutting costs by using a more efficient provider of financial management as a separate service. The providers of financial management services can increase the efficiency of financial management activities with economies of scale, specialisation and extensive investments in technology, and it is difficult for the internal financial management departments to respond to this. In recent years, the disruption of the financial management sector has accelerated the transformation of the sector, which previously remained unchanged for a long time, from traditional manual work to automated tasks and to shifting job profiles towards consulting roles.<sup>16</sup>

In the experience of the Company's management, particularly smaller companies outsource their financial management due to a lack of resources and the cost-effectiveness of outsourced management. In the case of larger companies, the outsourcing rate has typically been lower, but along with the global outsourcing trend, they have also increasingly started to outsource certain administrative tasks to improve cost-effectiveness in the case of, for example, payroll management. On the global level, 38 percent of companies had outsourced at least a part of their payroll management in 2019, while four years earlier in 2016 the corresponding figure was only 17 percent.<sup>17</sup> According to the research and consulting company Information Services Group, the market for cloud-based and SaaS services supporting outsourced business administration is forecast to grow globally by 24 percent per year. Cyclical fluctuation in the economy has not been seen to weaken the position of outsourcing: on the contrary, efforts by companies to increase the efficiency of their operations and decrease administrative expenses support this trend. For example, during the Covid-19 pandemic, companies increasingly shifted to outsourced services, and the global purchases of outsourced business services increased by 7 percent in 2020.<sup>18</sup>

## ***Consolidation of the Market***

As the Finnish financial management market mainly comprises small accounting firms, a few large operators, such as Administer, have succeeded in growing by acquiring small local accounting firms in recent years. Leading players have increased their market share with their investments in inorganic growth by acquiring customers and seeking synergies with their more advanced centralised operations. As a result of the consolidation of the market, large players have succeeded in increasing the efficiency of their operations with economies of scale and new technology. Large players can utilise modern technology and automation cost-efficiently in a centralised manner due to the scalability of software, while the limited resources of small players in the market prevent them from benefitting from the market trend. As the market grows but the number of accounting firms and their personnel remains stable, the ratio of the market's value to the number of personnel at accounting firms has increased. In 2013, this indicator was approximately EUR 73,000 per employee, while six years later in 2019, the net sales were already EUR 101,000 per employee.<sup>19</sup> The Company's management estimates that this difference demonstrates the efficiency improvements in the accounting firm business as a result of the consolidation of the market and technological development.<sup>20</sup>

## ***Competitive Landscape***

The financial management market in Finland is very fragmented, and the low barriers of entry are demonstrated by the total number of accounting firms exceeding 4,000 and the license-free nature of the business. According to Statistics Finland, there were only nine operators in the accounting firm sector with the net sales of over 10 million in 2019. Leading companies account for approximately one fourth of the accounting firm market, and this share is increasing with the continued consolidation of the market. The Company's management estimates that in 2020 the Finland's accounting firm market was led by five companies with relatively even market shares: Accountor Oy, Talenom Oyj, Azets Insight Oy, Rantalainen-Yhtiöt Oy and Administer in this order.<sup>21</sup>

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<sup>15</sup> Source: Information Services Group; ISG Index™. Reports on development of the outsourcing standards available at: <https://isg-one.com/research/isg-index>.

<sup>16</sup> Source of the chapter: Estimate by the management.

<sup>17</sup> Source: Sierra Cedar; 2019–2020 HR Systems Survey. 22nd Annual Edition.

<sup>18</sup> Source: Information Services Group; ISG Index™. "Global Sourcing Hits Record High in Q4; 4Q FY2020".

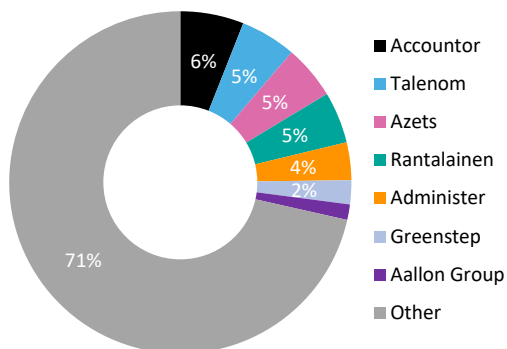
<sup>19</sup> Statistics Finland; Structural business and financial statement statistics. Industry 69201 Accounting and accounting services used as a definition of an accounting firm. ([https://pxnet2.stat.fi/PXWeb/pxweb/fin/StatFin/StatFin\\_yri\\_yrti\\_oik/stat-fin\\_yrti\\_pxt\\_11qc.px/table/tableViewLayout1/](https://pxnet2.stat.fi/PXWeb/pxweb/fin/StatFin/StatFin_yri_yrti_oik/stat-fin_yrti_pxt_11qc.px/table/tableViewLayout1/)).

<sup>20</sup> In addition to the figures of Statistics Finland, the estimate by the management is used in the paragraph.

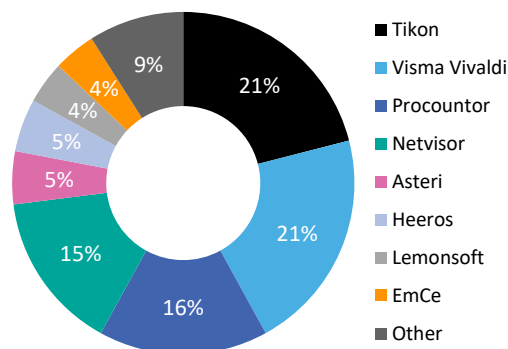
<sup>21</sup> Source: The management's estimate based on net sales in the financial statements of the companies in Finland, excluding the external software sales for the purposes of comparability of the selection.

In the case of the providers of financial management services, the market is different by its nature: the approximately ten largest operators in the market account for the majority of the software market. According to the estimate of the Association of Financial Management (Fin: *Taloushallintoliitto*), Accountor's software called Tikon was the market leader in 2019 with a market share of over 20 percent. However, it has been decided to decommission the Tikon software by 2022, which the Association of Financial Management believes will lead to the release of the market share to the benefit of other competitors.

**Chart 7. Estimated market shares of accounting firms in Finland in 2020.<sup>22</sup>**



**Chat 8. Estimated market shares of financial management software in Finland in 2019.<sup>23</sup>**



Some of the providers of financial management services themselves acquire financial management software from a third party. Instead of software development, such providers focus on service provision in their operations, and typically they pay for software licenses to the sellers of the software. However, in the view of the management, in-house software development offers several competitive advantages as compared to the utilisation of third-party software. In-house software development ensures seamless adaptation of the software according to requirements, and the service provider is not dependent on the offering of a third party. Administer uses software and information systems from third parties in addition to its own software to meet customer demand as comprehensively as possible but sees the focus on its own software development as a competitive advantage in the future. As the field of business is changing rapidly at present, providers of financial management services are required to adapt quickly and with agility to new trends and the changing requirement levels of the customers, and in-house software development enables the fastest and best response to the development needs. In addition to Administer, only few competitors operate both as a service provider and a software developer for financial management. The utilisation of in-house software development in both market sectors creates synergies and enable pursuing several growth paths at the same time.<sup>24</sup>

<sup>22</sup> Source: The management's estimate based on net sales in the financial statements of the companies in Finland, excluding the management's estimate on external software sales' part of net sales.

<sup>23</sup> The market shares are based on the number of customers. Source: Association of Financial Management's survey in December 2019. (<https://tilitoimistossa.taloushallintoliitto.fi/teknologia-ja-ohjelmistot/tilitoimistoalalla-on-valinnanvaraa-hyvista-ohjelmistosta>).

<sup>24</sup> Source of the chapter: Estimate by the management.

## BUSINESS OF ADMINISTER

### Overview

Administer is a Finnish Group established in 1985 offering financial management and payroll administration services, consultancy services and software services. Administer's goal is to transform the financial management services market, which in the view of Administer's management are perceived as rigid and lacking innovation, by developing new technologies and new solutions. The Company's management estimates that, measured<sup>25</sup> by net sales Administer is one of the largest providers of financial management services in Finland and measured by the number of pay slips, the largest HR and payroll administration service provider in Finland.

The Group includes a total of 22 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. 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, that however are not part of the Group. The Group structure is described in more detail in section “– Group structure”. Administer's customer base includes organisations of all sizes, ranging from small and medium sized enterprises to large corporations, municipalities and cities. As on 30 November 2021, the Group employed a total of 590 employees. Administer has a total of 21 offices in Finland, in addition to which it also has offices in Stockholm, Sweden and in Tallinn, Estonia. No significant net sales are generated in Sweden or in Estonia. The image below illustrates the locations of Administer's offices.



Consolidated net sales for the financial period ended on 31 December 2020 were EUR 43.7 million, and for the nine months period ended on 30 September 2021 EUR 30.0 million.

### History and Development

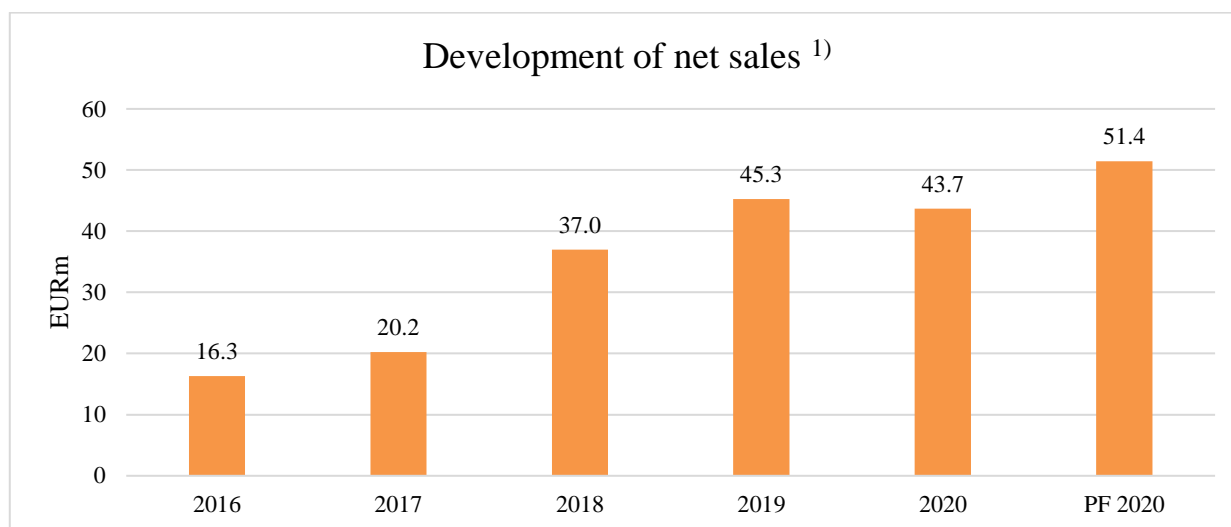
Administer was founded in Helsinki by Onni Aho as a one-person company offering accounting services. The development and sales of financial management software, which are crucial for Administer's business, were part of the Company's operations from the very beginning. The Company's current CEO and member of the Board of Directors Peter Aho has served in the Company's management since 1994.

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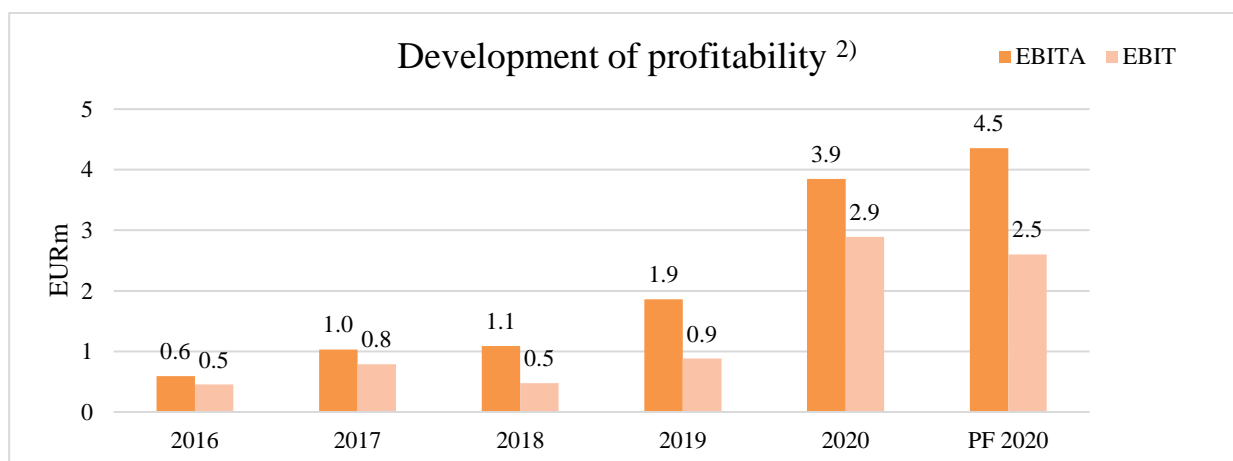
<sup>25</sup> The number of pay slips is based on an estimate made by Administer's management on the basis of information received from public sources.

Administer’s first browser-based financial management software, eFina, which is still used by the Group, was developed and launched in 2000. It is built to support a fully paperless office and financial administration. eFina Mobiili, which was launched in 2015, combines a mobile scanner with the real-time financial data of a company.

The Group has expanded vigorously since 2009, when Administer opened its first branch office in Tampere. In 2014, Administer’s net sales exceeded EUR 10 million for the first time. The graph below illustrates the trend in Administer’s net sales from 2016.



1) The figures in the graph are based on the audited consolidated financial statements for 1 January–31 December 2016, 1 January–31 December 2017, 1 January–31 December 2018, 1 January–31 December 2019 and 1 January–31 December 2020, excluding the 2020 pro forma information.



2) EBITA = EBIT + goodwill amortization.

Administer has executed several business acquisitions as part of its expansion strategy (for more information on the strategy, see “– Strategy”) since 2001. Between 2014 and 2016, Administer acquired several small local companies for the Group, strengthening its existing business operations. In 2016, Administer expanded abroad when it opened an office in Stockholm in Sweden. Administer’s current group structure began to take shape in 2017, when Administer acquired Enfo Partner Oy (currently Adner Oy) and acquired Silta Oy as part of the Group in 2018. In addition, Administer acquired a stake in Kuntalaskenta Oy in 2018. The latest significant business acquisition of Administer was executed in August 2021, when Administer acquired Emce Solution Partner Oy, in connection with which it acquired the EmCe software alongside the Administer’s eFina software to strengthen the software service offering.

In the future, Administer aims to develop an international SaaS business model targeting small and medium-sized companies using Administer’s digital platform. In addition, Administer aims to take advantage of the data collected in the HR and payroll administration services in its business and provide the information management it enables as a service to its customers. Moreover, Administer aims to strengthen scalability with AI development, which automates basic functions and thus improves the efficiency of operations.



## Key Strengths

Administer's management considers the following factors to be Administer's key strengths:

- ***Administer offers its customers outsourcing services for business-critical functions.*** Administer's service offering consists of outsourcing services for business-critical functions, and for this reason Administer plays a key role in its customers' business. The deep cooperation with customers forms the foundation for long customer relationships and the opportunity to grow with the customers.
- ***Measured by net sales, Administer is one of the leading providers of financial management and payroll administration outsourcing services in Finland.*** The financial management and payroll administration markets are undergoing a digital transformation, and the use of technology in business operations has become one of the key competitive advantages. Large operators have an advantage over smaller players because of their more extensive resources for developing their own technology and software that offer economies of scale in the market. As one of the leading players, Administer has a strong position in the rapidly developing market.
- ***Administer offers its customers the opportunity to procure a wide range of continuous outsourcing services and supplementary consultancy services from the same company.*** Administer's core business is based on the provision of continuous financial management and payroll administration services, in addition to which Administer is able to offer its customers a wide range of additional services according to their needs.
- ***Investments in the digital service model and own software.*** Administer is investing heavily in the digital service model which is based on its own software. For instance, Administer's financial management services are built around its eFina software. In addition, Administer's EmCe software supports Administer's business operations both as a background system for the eFina software and as separate software sold to the customers. Administer continuously develops its own software to maintain its competitiveness in a rapidly changing market. Lately Administer has developed, for example, the use of artificial intelligence (AI) as part of its selection of services, and as on the date of this Offering Circular, AI is used, for example, in the processing of purchase invoices and in accounting. Administer's investments in the digitalisation and automation of its services release employee resources from repetitive lower value-added tasks so they can be used in higher value-added consulting tasks. This way Administer maintains and improves customer satisfaction while increasing the efficiency of its internal processes. In Administer's most recent customer satisfaction survey, Administer's financial management systems were praised by customers for their clarity and user-friendliness.
- ***Administer's broad customer base offers the opportunity to grow in many different customer segments.*** Administer's customer base ranges from small one-person businesses to large listed companies, as well as public entities such as municipalities and cities. Administer's customer companies are diversified over several sectors, the largest of which, measured by net sales, are the financial sector, the energy sector and the travel industry. Through Kuntalaskenta Oy, Administer offers its services to public sector operators. The broad customer base also evens out the impact of cyclical fluctuations on Administer's business, which is focused on customers of various types and sizes in several different industries.
- ***The capability to serve customers locally.*** Administer has a network of business locations covering all of Finland, which enables Administer to serve customers locally. Administer has a total of 21 offices in Finland and one office both in Stockholm, Sweden and Tallinn, Estonia. The extensive office network gives Administer the capability to take local viewpoints and practices into consideration, which in the view of Administer's management raises Administer's profile on a regional level.

## Values

Administer's personnel must commit to complying Administer's values when working with both customers and colleagues. Administer's values are:

- ***Innovativeness.*** Administer aims to continuously develop the competence and activities of its personnel.
- ***Appreciation.*** Administer's personnel appreciate both Administer's customers and one another.
- ***Cooperation.*** Administer's management believes that the personnel will succeed together through expertise, openness and trust.
- ***Commitment.*** Administer's personnel is committed to serving the customer through long-term trustworthy cooperation.

- **Productiveness.** Productiveness is at the heart of Administer's operations. Administer aims to conduct a high-quality and successful business together with its personnel.

## **Strategy**

On 8 November 2021, Administer's Board of Directors adopted the following strategy for 2022–2024:

### ***Introduction***

Administer's mission is to ensure smooth and efficient financial and payroll management for its customers.

Administer's vision is to provide a customer experience exceeding the expectations of its customers.

Administer wants to be the best player in its field of business with the customer experience and innovative mindset as well as with its comprehensive service offering and technical solutions.

In the view of Administer's management, the Company's technological advantage over its competitors supports the acquisition of new customers, and the successful customer experience helps engaging the customers.<sup>26</sup> The management believes that Administer can provide a comprehensive service offering, which, among other things, enables the success of its customers in their own business operations.

Administer's own sales of services and solutions are the most important enabler of growth. Professional and active sales activities create the foundations for the increase in net sales, supported with business acquisitions. Administer will also invest more in the public sector in the future.

Administer invests heavily on the competence and well-being of its personnel. Administer strives to establish an attractive and interest-arousing position in the challenging labour market. Satisfied personnel create the basis for a good customer experience and customer satisfaction.

### ***Administer in 2022–2024***

The strategy period of 2022–2024 is focused on Administer's growth, as Administer seeks for a significant market share in domestic financial management and payroll administration services and solutions as well as consulting. Administer also aims to expand its business operations in Sweden. Administer strives to bring new products and services to the market and actively seeks opportunities for business acquisitions suitable for its operations. The Company has invested heavily for future growth and has built a strong foundation to take on the next leap of growth.

Administer's target for net sales in 2024 is a total of EUR 84 million and for EBITDA margin of 24 percent of its net sales. The Company aims to distribute as dividends at least 30 percent of its profit adjusted by goodwill amortization.

Administer's growth targets include the acquisition of new customers, an increase of sales to its existing customers as well as business acquisitions.

The Company's management considers that if the Listing is completed Administer aims to offer the new companies joining the Group a possibility to increase their earnings per share, as compared to a situation where the target company would have continued as an independent company, an efficient secondary market and benefits for the development of their operations. These benefits include, for example, HR service, IT services, Administer's sales function and other administrative services.

Administer seeks strong profitability through continuous improvement of its service functions, precise production management, personnel and customer engagement and thus persistence and additional services that create value for the customers. Administer's management considers that routine tasks can be automated increasingly with IT solutions also in the future. The consulting services provided by Administer create added value for customers and provide Administer with sales with a higher margin.

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<sup>26</sup> Management's assessment is based on public sources concerning, among other things, the use of artificial intelligence, automation and ERP in Administer's operations when compared to its competitors.

The strategy for 2022–2024 is described in more detail below.

### *Sales and Growth*

Administer’s sales and marketing is described in more detail in “– *Customers, Sales and Marketing – Sales and Marketing*”. In the future, Administer aims to increase the number of its sales personnel in all of its business segments.

Administer will also seek inorganic growth in the future, and business acquisitions are an important part of Administer’s growth strategy. Administer aims to execute business acquisition primarily in the accounting firm business, but other acquisitions supporting Administer’s business operations are also possible. With the business acquisitions, Administer aims to increase its net sales, widen its service offering and geographical footprint and improve its profitability. Administer aims to execute 5–10 business acquisitions in 2022.

### *International Operations*

In addition to Finland, Administer operates in Stockholm in Sweden and in Tallinn in Estonia as on the date of this Offering Circular. The Company’s management considers that Administer’s service offering has possibilities to succeed in Europe, and this presents an opportunity to expand the business in the future. In addition, Administer has contacts with other international players in its field of business through its partner networks, which can support the possible expansion of its operations in the future.

Administer aims to increase the share of its international operations of its net sales from the current level. In particular, Administer aims for the expansion and development of its operations in Sweden in the near future.

### *Financial Management Services*

Administer provides financial management services throughout Finland and to a small extent in Stockholm in Sweden. Administer’s financial management services are described in more detail in “– *Description of business – Financial Management Services*”. In the view of the Company’s management, accounting firm services are typically acquired from a local provider. Through its wide office network Administer can serve its customers locally, and provide financial management services all around Finland using its proprietary advanced ERP system described in more detail in “– *Research and Development*”. Administer also seeks growth in its financial management services in Sweden and through its international partner network and the industry’s association Integra International, which Administer represents in Finland and Sweden.

### *Public Sector*

Administer provides services to the public sector under its Kuntalaskenta brand. Financial and payroll management services for the public sector are one of the focus areas of Administer’s business. Kuntalaskenta offers the public sector, among other things, financial management systems and financial and payroll management services. The service offering is provided using the eFina system adapted to the needs of municipalities and EmCe’s products provided as system solutions. Administer sees significant potential for growth in the municipal sector. In Finland, there are over 300 municipalities, and only a small number of them have arranged a competitive tender for the services they require. Administer’s target is to gain a market share of 10 percent in financial and payroll administration in the public sector in the future.

### *HR and Payroll Administration Services*

The Company’s management estimates that Administer is the largest provider of payroll management services in terms of the number<sup>27</sup> of pay slips. Payroll management services are provided to three customer segments; to accounting firms by Administer Plc, to the public sector by Kuntalaskenta Ltd and to large and medium-sized companies by Silta Ltd.

The clientele of Silta comprises companies for which the traditional payroll management service is not adequate. Silta can provide wide payroll management solutions and support systems through its extensive range of applications and by integrating them into a well-functioning comprehensive setup.

Administer aims to widen Silta’s new customer acquisition and develop its service offering in the future. In addition, Administer aims to investigate Silta’s possibilities to create new service packages with its own IT systems.

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<sup>27</sup> The number of pay slips is based on an estimate made by Administer’s management on the basis of information received from public sources.

In the view of Administer's management, Silta is a significant provider of HR services, and Administer sees significant growth potential in this segment both in the private and public sector. Furthermore, Silta is a significant provider of PEO services to Administer's international customers.

#### *Outsourced Financial Management Service for Large and Medium-sized Companies*

Administer offers outsourced financial management services to large and medium-sized companies through Adner Oy. Adner provides outsourced financial management services to companies which consider traditional accounting firm services as inadequate. A customer can deploy a wider, also internationally operating financial management system or an ERP system. Adner provides these services using Oracle's NetSuite system, and it is the only outsourcing partner of NetSuite business in Finland (Business Process Outsourcing, "BPO").

Adner enables the production of financial management services to its customers through the efficient processes of its service center without the need for any investment in systems and long-lasting implementation projects. In the BPO model, the customer acquires a financial management setup and systems related to it as a service without having to make investments in the system licenses.

NetSuite is a global business platform that provides Adner and the Group an opportunity to widen their international operations through their own units and international network.

#### *Software Services*

Administer's software services are offered through, among others, Emce Solution Partner Oy. EmCe provides financial management and payroll administration software to accounting firms, other companies, trade unions, schools and the public sector. EmCe's latest product EmCe365 has been received favourably in the market. Administer's software services are described in more detail in "*Business Review – Software Services*".

Opportunities for growth in software services are seen particularly in the transition of the users of traditional financial management and payroll administration software to digital services and to agreements based on transactions and continuous performance obligations. Administer aims for deeper automation of the various sub-processes of financial management, which has become easier by the addition of EmCe to the Group. Respectively, Emce's merging into the Group has brought EmCe a better understanding of financial management processes and the accounting firm business.

#### *Services for Light Entrepreneurs*

Administer holds 100 percent of Yrittäjän Polku Oy, a company in its startup phase. Administer's management believes that Yrittäjän Polku will increase its market share in the light entrepreneur sector. Administer's management estimates that there are approximately 200,000 light entrepreneurs or private traders in Finland as on the date of this Offering Circular.

Yrittäjän Polku offers new entrepreneurs a simple and fast way to start business operations. The light entrepreneur pays less for the service than they would for a financial management service and uses a highly automated system. Additional services required by the company, such as advisory services, are charged separately.

Administer's management considers that this service is attractive to growing companies, which are provided with the services needed for their expansion, such as changing the legal form of the company and wider financial management services.

#### *Personnel*

In the view of the management, Administer needs to have competent and committed personnel throughout Finland. Administer wants to be an attractive employer focusing on the employee experience, offering interesting tasks and enabling various career paths. Administer is interested in the wellbeing of its employees and measures it with regular surveys.

Administer's management considers that the industry is facing a major transformation, and a large number of employees will retire in the near future. Administer trains new personnel according to its needs through an interesting overall experience as well as tasks and training. Administer has established its own Administer Academy training program for this purpose.

In the view of Administer's management, the provision of high-quality financial and payroll management services requires good leadership and management work in which Administer invests in significantly. In addition, the daily work of

the personnel is managed, among other things, through the ERP system, which balances the workload between the employees (for more information, see “– Research and Development”).

### *Customers*

Administer aims for satisfied long-term customers who are willing to recommend Administer’s services and solutions. Administer is interested in the wishes and needs of its customers and it develops its operations based on them.

Administer is training its personnel continuously to be more successful in serving their customers and generating added value. Administer measures customer satisfaction continuously, asks for feedback and monitors deviations from the expected targeted service level. Administer processes feedback received in the customer interface continuously and develops its customer experience further based on the feedback.

### *IT and Technology*

Administer’s operations are based on its strong in-house IT capabilities and software development, which supports its own service production and enables software development for its customers. Through operations Administer seeks new product and service innovations. Administer’s management sees the IT capabilities and proprietary software as a strong competitive edge. With its proprietary technology and automation, Administer seeks strong profitability and operational efficiencies. The management also considers that Administer has strong capabilities in the integration of various software solutions and their deployment to the benefit of the customers and products. In particular, the automation of processes and utilisation of smart functions are one of Administer’s key focus areas.

### **Financial Targets**

*Administer’s Board of Directors has set the following financial targets in connection with the Offering. The financial targets are forward-looking statements and are not guarantees of Administer’s financial performance in the future. Administer’s actual future results may differ materially from those expressed or implied by these forward-looking statements as a result of many factors, including but not limited to those described under “Certain additional information – Forward-looking statements”, “Risk factors” and “Operating and financial review – Key factors affecting results of operations”. All financial targets presented in this Offering Circular are solely targets and they do not constitute, and should not be treated as, forecasts or estimates of Administer’s financial performance in the future.*

On 5 November 2021, Administer’s Board of Directors has confirmed the following financial targets:

- Administer aims to achieve net sales of EUR 84 million in 2024; and
- Administer aims to achieve EBITDA margin of EUR 24 percent in 2024.

Administer’s revenue growth is based on organic and inorganic growth. The Company’s profitability target consists of several different factors, especially the scalable organic and inorganic growth to enable the efficiency of its own technology and operational activities. The Company is assessing the potential cost synergies associated with the EmCe acquisition of around EUR 0.5 – 1.0 million and expects these to be realised in full before the end of the financial period 2023. Further, Administer estimates that in terms of cost synergies between existing group companies, especially in terms of IT systems and support functions is unrealised in the amount of EUR 0.5 – 1.0 million. In Administer’s view, its current organization would be able to generate around EUR 3 million in additional net sales without a significant increase in costs by improving personnel efficiency.

### **Description of the Business**

#### *Overview*

Administer has a diverse service offering enabling Administer to offer its customers both financial management services as well as HR and payroll administration services provided by the same Group. Administer’s main business areas are financial management services and HR and payroll administration services, which are described in detail below. The financial management services provided by Administer include accounting and reporting services, through which Administer provides up-to-date financial information to its customers, and digital financial management, with which Administer’s customers gain access to their financial data over the internet or through the eFina mobile application. Administer’s HR and payroll administration services consist of the outsourcing of payroll administration which allows Administer’s customers to boost the efficiency of their administration and to benefit from automation, as well as the HR services provided to companies in Finland to outsource their HR services. In addition, the services and products provided by Administer include consultancy and software services.

## *Financial Management Services*

Administer offers comprehensive financial management services to several different customer segments. Electronic digital management is at the core of Administer's financial management services. The accounting services provided by Administer are also a part of the financial administration services. Administer offers its financial management services through a software-enabled business model designed to automate tasks that have traditionally been handled manually. This allows Administer's experts to focus on higher value-added work and high-quality customer service. Administer's financial management services are built around the eFina software developed by Administer, which was created to support a paperless office and financial management. In the background of the eFina software displayed in the customer interface is also affected by another software owned by Administer, EmCe (for more information on Administer's eFina and EmCe software, see "*Software services*").

The financial management services provided by Administer include digital financial management, accounting, management of purchase and sales invoices, and reporting. The customers of Administer's financial management services consist of companies of various sizes, for whom Administer's service packages are tailored based on their needs. The customers who primarily acquire financial management services from Administer purchase a comprehensive financial management service package, the different components of which are described in more detail below. In addition to the services described below, Administer may also provide its large customers with other functions that support the services, such as a customer relationship manager.

The accounting service included in Administer's financial management services includes the provision of all statutory accounting services, through which the customer company can outsource its financial management routines and its statutory corporate accounting obligations to Administer. As a result of digital financial management and the eFina software, accounting takes place in real-time and the customer companies have an opportunity to prepare, for example, an up-to-date income statement at any point of the financial period. The accounting service also includes the reporting and analysis of figures to support the customer companies' business operations, in addition to which it is also possible to directly handle all statutory notifications in Finland, Sweden and Estonia through Administer's services.

In addition to the accounting services, Administer's financial management services include electronic management of purchase and sales invoices. As part of its services, Administer offers the digital handling, archiving and storage of purchase invoices as well as real-time maintenance of the sales and purchase ledgers, printing and sending of invoices either as paper invoices, e-invoices or by email, according to the customer's preferences. Through Administer's eFina system, customer companies are able to monitor their receivables in real time and browse the history of invoices for a on a customer-specific basis or on a basis of a certain period of time. Administer's financial management services also include the processing of travel and expense invoices.

Through the reporting service included in the financial management services, Administer offers its customer companies real-time information and data to support management and decision making as well as digital archiving for receipts and financial period information. Through the eFina software, the customer companies can create the real-time reports of their choice and their own reporting models to support their operations.

Artificial intelligence (AI), which Administer has used in its operations for several years, plays a significant role in the financial management services offered by Administer, as the purchase invoices and receipts of the customers, among other things, are processed by AI. In addition, Administer has lately begun to use AI to a greater extent in accounting as well, which has released experts' capacity for higher value-added tasks. According to the view of Administer's management, the extensive use of AI in Administer's services and products is Administer's biggest competitive advantage over its competitors in the provision of financial management services. In addition to AI, Administer's management believes that the Company's strength is the combination of the eFina software and services. This allows Administer to react to customer feedback quickly, as in addition to the personnel, the software used in connection with the services is owned by Administer rather than a third party. This allows for efficient and fast customization of an overall service compared to those competitors who do not have the equivalent opportunity to offer their own software in connection with their services.

In the provision of its financial management services, Administer uses the ERP system it has developed and by which it achieves significant benefits in its day-to-day activities. The system enables the performance of customer work and profitability to be controlled and monitored, among other things. This system has been used by Administer since 2019 and it has allowed Administer to increase its net sales per accountant. At the same time, the system has stabilised the job description of the accountants by guiding their daily work more systematically.

Financial management services accounted for approximately 33.6 percent, and according to Pro Forma distribution of net sales approximately 29.1 percent, of Administer's net sales in the nine months ended on 30 September 2021. An average of 209 employees worked in financial management services in the nine months ended on 30 September 2021.

## ***HR and Payroll Administration Services***

The Company's management estimates that Administer is the largest provider of HR and payroll administration services in Finland in terms of the number of pay slips<sup>28</sup>. Administer offers HR and payroll administration services to companies of all sizes operating in different sectors, but in general, Administer's clientele in HR and payroll administration services consists of large and solvent companies. The introduction of AI and advanced automation into HR and payroll administration services is just the beginning, and Administer's management sees in it several business opportunities and significant potential in this changing industry. HR and payroll administration services provided by Administer include payroll, outsourcing of payroll and a workforce outsourcing services ("**PEO service**").

Administer's HR and payroll administration services portfolios are always tailored to the customer's needs. As a general rule, the service portfolio sold is scaled to the size of the customer company. Often large customer companies will buy only a payroll management service from Administer. In small and medium-sized enterprises, the service portfolio from Administer is larger, including both HR administration and payroll administration services.

Approximately 90 percent of the net sales of Administer's HR and payroll administration services consist of payroll calculation and the remaining approximately 10 percent of HR services. Administer's management considers HR services and payroll services together as a significant component of the HR and payroll administration services provided by Administer, as well as considerable growth potential in HR services.

In practice, Administer's HR and payroll administration services are provided so that Administer offers its customer companies a platform through which they can deliver the necessary material related to HR and payroll administration, such as employment relationship data and salary data as well as the hours performed by employees and their absences and tax cards. Administer processes the data included in the material delivered by the customer and transfers them to Administer's remuneration system, which is used to calculate the salary transactions and amounts and accruals. After processing the salary transactions, Administer handles the payment of the salaries. Administer also often takes responsibility for delivering the accounting material for the salary period, notifications to the national income register and reports for the salary period. As a result, the customer companies must only deliver the relevant material, based on which Administer carries out the necessary measures. In connection with its HR and payroll administration services, Administer processes around 125,000 pay slips each month. In addition to the regularly recurring payroll process described above, Administer also takes care of some measures carried out more infrequently, such as direct transfers of tax cards and calculation of the tax values of car benefits. In addition, Administer may assist in submitting salary administration applications, such as applications related to Kela, the Social Insurance Institution of Finland.

In addition to the salary process described above, Administer's HR and payroll administration services also include supporting customer companies in HR services in planning on a strategic level as well as in practical operational matters, either on a continuous or a project basis. Administer assists its customer companies, for example, in the planning of their organisational structure and defining job descriptions, preparing statutory documents and carrying out recruitment processes. Moreover, Administer offers its international customers comprehensive PEO services, including HR and payroll administration services.

Administer's own eFina and EmCe software are provided to small customer companies for use alongside HR and payroll administration services, while in the case of medium-sized and large customer companies, the customers' own software and systems that are independent of Administer's software are often used in connection with Administer's HR and payroll administration services. However, in the future, Administer aims to develop its payroll administrations systems so as to be more often able to offer its own software together with its HR and payroll administration services to medium-sized and large customer companies as well, which is supported by the EmCe acquisition executed in August 2021 (for more information on the EmCe acquisition, see "*– Business Acquisitions*").

In connection with its HR and payroll administration services, Administer has developed the Silta Mobiili – Simo application, through which the customer companies and their personnel can view their pay slips. The Simo application allows the user to see, for example, the amount of salary paid, deductions, holiday information, withholding tax rates, the income tax thresholds and the account number to which the salary is paid. The Simo application can also be used to deliver documents for payroll service, such as tax cards and sick leave certificates. The Simo application also notifies the user when the income limit on the tax card is close to be reached. The Simo application stores the user's salary information for at least 24 months and enables users to download their old pay slips to their devices.

HR and payroll administration services accounted for approximately 57.5 percent of Administer's net sales in the nine months period ended 30 September 2021, and according to Pro Forma distribution of net sales approximately 49.9 percent.

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<sup>28</sup> The number of pay slips is based on an estimate made by Administer's management on the basis of information received from public sources.

An average of 301 employees worked in HR and payroll administration services in the nine months ended on 30 September 2021.

### ***Consultancy Services***

Administer also offers its customers consultancy services that are mainly related to financial management services, payroll administration services and HR services. The largest areas in Administer's consultancy services are consultancy related to financial management services, including the so-called CFO service and controller services, as well as consultancy related to payroll administration, including consultancy for developing payroll processes.

Administer offers its consultancy services as part of other services, such as financial management services, but the majority of the consultancy services are sold as individual services separately from other service. In the case of consultancy related to payroll administration services, in particular, a significant proportion of the consultancy services is sold to customers that do not use Administer's other services. In the experience of Administer's management, some of the customers who acquire consultancy services, such as consultancy related to developing payroll processes, later end up acquiring other services from Administer, such as HR and payroll administration services, once they have used the consultancy services.

The services related to Administer's financial management services include both continuing services and, to a significant extent, temporary services. The temporary services offered by Administer include temporary CFOs offered by Administer to its customer companies for example in situations where a company's CFO has resigned, and the company has yet managed to find a permanent replacement for the position. In addition, Administer offers a permanent CFO service and controller service as part of its financial management service, through which the customer company gains access to, among other things, the resources, data and advisory services needed by the senior management of the company.

Consultancy related to payroll administration services includes consultancy for the development of payroll processes, through which the customer company's payroll processes are reviewed in detail with the aim of finding areas where efficiency can be improved and high-quality procedures with which the customer company can develop its functions. The consultancy related to HR services includes consultancy for the development of HR administration with the purpose of survey the current status of the customer company's HR processes and finding proposals for future solutions.

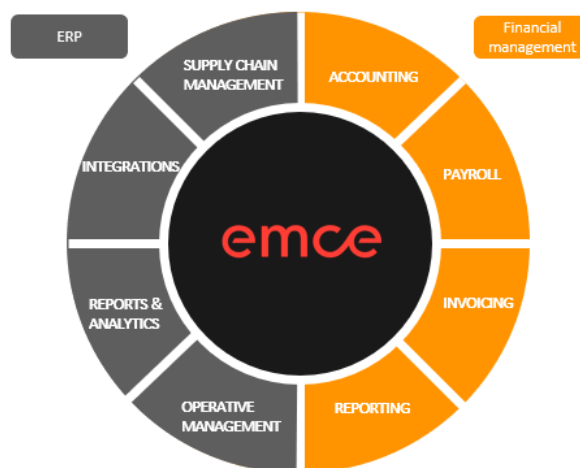
In addition to the consultancy services described in detail above, Administer's consultancy service offering also includes other consultancy services, such as assistance in M&A transactions from the financial management perspective and tax advice.

Consultancy services accounted for approximately 3.2 percent and according to Pro Forma distribution of net sales approximately 2.8 percent, of Administer's net sales in the nine months period ended on 30 September 2021. An average of 16 employees worked in consultancy services in the nine months period ended on 30 September 2021.

### ***Software Services***

Administer uses the software and software solutions it has developed as part of the wider range of services it offers, in addition to which Administer sells its EmCe software to its customers without a service package. Administer has developed the eFina software, which was launched as early as in 2000 and which particularly forms a significant part of Administer's financial management services (for more information on Administer's financial management services, see "*Financial Management Services*"). In addition, as on the date of this Offering Circular, Administer owns the EmCe system, ownership of which was transferred to Administer in connection with the EmCe acquisition executed in August 2021, the purpose of which was to strengthen Administer's HR and payroll administration services, among other things. The EmCe software is used by Administer mostly as a background system for the eFina software. The EmCe software is also sold as a separate product apart from Administer's other services to accounting firms and their end customers, among others. The eFina software, on the other hand, is not sold as stand-alone software but as part of a package together with Administer's other services, such as the financial management services. Based on the wishes and needs of Administer's customers, the software solutions can also be integrated with systems offered by external parties or the customers' own systems.





Administer's eFina software has been used by Administer in its business and especially as a part of its financial management services since the year 2000. eFina is financial management software that is utilised in several different functions of the customer companies, and through it Administer is able to offer the digital financial management service, which is at the core of its business. The functions featured in eFina include accounting, graphic reports, invoicing, payroll administration and archives. The software can also be used to handle travel and expense invoicing. The properties of eFina as part of the financial management services are described in more detail in “– *Financial Management Services*”. eFina is browser-based software, which makes it easy to use, as it does not need to be installed separately on the user's computer. This means that customers can use the software anywhere and on any device with a browser.

In addition to the browser-based eFina software, Administer launched the eFina Mobiili application in 2015 which customers can download on any phone running on one of the most common operating systems. The employees of the customer companies can use the eFina Mobiili application to view their salary information, and users with broader user rights are able to see all functions in the service package tailored for the customer. Through the eFina Mobiili application, the customer can deliver all receipts and tax cards, for example, for processing by Administer. Similarly, the customer company always has access to the real-time key indicators of the company through the eFina Mobiili application.

Another software solution owned by Administer and used in its business is EmCe, which combines financial management and payroll systems. In the case of the ERP system, the EmCe software includes management of supply chains regarding multipurpose warehouses, integrations, reports and analytics as well as operational management. On the financial management side, the software includes accounting, payroll administration, invoicing and reporting. The EmCe software is used by Administer internally as a background system for eFina, in addition to which the EmCe software is sold to customers who can use it independently without any other services offered by Administer. Another part of the EmCe software is EmCe365, which was developed to satisfy the needs of the end users of accounting firms, in particular, and to support them in various partial processes of financial management, such as the routing and approval of purchase invoices.

In addition to EmCe's own products, larger customers are offered Microsoft Dynamics 365 Business Central as a complete delivery. This function complements Administer's overall service offering.

Outsourced software services accounted for approximately 5.7 percent, and according to Pro Forma distribution of net sales approximately 18.2 percent, of Administer's net sales in the nine months period ended on 30 September 2021. An average of 19 employees worked in outsourced software services in the nine months period ended on 30 September 2021.

### Liabilities and Sources of Capital

Administer's equity consists of the share capital, other reserves and retained earnings. As on 30 September 2021, the Company's share capital amounted to EUR 2,522.82 (raised to EUR 80,000 by decision of the Extraordinary General Meeting held on 4 November 2021). Other funds totaled EUR 15.8 million on 30 September 2021. Retained earnings consist of assets accumulated in previous financial periods that have not been transferred to equity reserves or distributed as dividends to the shareholders.

Administer's liabilities as on 30 September 2021 consisted of a capital loan of EUR 0.5 million and EUR 2.4 million in long-term loans and EUR 2.9 million in short-term loans from financial institutions and EUR 0.4 million in long-term

and EUR 0.4 million in short-term tax liabilities. In addition, Administer's liabilities as on 30 September 2021 consisted of EUR 1.7 million in trade payables, EUR 4.9 million in accrued liabilities and EUR 2.1 million in other liabilities.

The above-mentioned long-term tax liability of EUR 0.4 million and short-term tax liability of EUR 0.4 million relate to the payment arrangements the Company has agreed with the Tax Administration on 29 September 2021, which applies to taxes originally due in October – November 2021. There are 24 installments to be paid and the first installment must be paid on 29 October 2021 and the last installment on 29 September 2023. The payment arrangement applies to the corporate income taxes, VAT and transfer taxes payable on the EmCe acquisition.

## **Investments**

Administer's investments during the review period included the EmCe acquisition carried out through a share exchange, which is described in more detail in the section "*– Business Acquisitions*". Through the acquisition, Administer acquired the financial management and ERP software as well as own payroll software. Other investments were made in a new reporting system and service management system for the HR and payroll administration services, robotics, the extension of the digital archive and the modernization of the CGI environment, the development of the Silta Mobiili and eFina Mobiili applications and general development of operations in Finland. In addition, Administer has invested significantly in the development of its own software (for more information, see "*– Research and development*"). Administer finances its investments mostly with cash flow from operations and with bank loans.

Administer's investments in intangible and tangible assets during the nine months period ended 30 September 2021 totaled EUR 1.5 million as compared to EUR 1.1 million in the nine months period ended 30 September 2020.

Administer's investments in intangible and tangible assets totaled EUR 1.4 million in the financial period ended 31 December 2021, EUR 3.6 million in the financial period ended 31 December 2019 and EUR 13.2 million in the financial period ended 31 December 2018.

Administer has not carried out any significant investments or made any decisions regarding such investments in the period between 30 September 2021 and the date of this Offering Circular.

## **Customers, Sales and Marketing**

### ***Customers***

The Group has approximately 4,500 customers for whom it provides monthly invoiced services. In addition, the Group carries out one-off projects and provides short-term leased manager services. The customers include large, medium-sized and small companies as well as self-employed entrepreneurs, public entities, accounting firms, educational entities, cities, associations, communities, unions and organisations. The customers of the financial management services are small and medium-sized enterprises in Finland and Sweden. The customers of the HR and payroll administration services, on the other hand, are mostly large Finnish companies. The customers of the software services are companies, accounting firms, unions and organisations. Kuntalaskenta Oy serves municipalities and communities. Yrittäjän Polku Oy's customers are small entrepreneurs who aim to establish, or have already established, their own business. Administer's customers operate in several different sectors, with the largest customer groups by net sales consisting of financial sector, energy sector and travel industry companies. A large number of Administer's customers are small companies that benefit from the automation and simplification of basic financial management functions. In the case of medium-sized customer companies, with tailored service selection Administer is able to adapt to their changing needs and to act as their partner as they grow. Large customer companies, on the other hand, often require a comprehensive and flexible service selection, which, in the management's view, Administer is able to provide to an increasing extent in the future.

Administer's management believes that the customer base of different sized customers and customers operating in different industries mitigates the market risk arising from the customers. In addition, Administer's management believes that, since the majority of Finnish companies are small and medium-sized enterprises, the market structure enables strong and stable demand for the outsourcing of the basic tasks of financial management, which can be automated using Administer's technology. In addition, the public sector, which has previously been against the outsourcing of functions, provides Administer with growth potential as it is well-positioned in the municipal customer segment.

In 2020, the ten largest customers accounted for approximately 20 percent of net sales, and the largest customer for approximately three percent. The average annual net sales of the Group per customer was approximately EUR 7,900 for financial management services and about EUR 83,000 for HR and payroll administration services. In 2020, the Group gained approximately 200 new customers in financial management services and 10 new customers (large customers) in and HR services and payroll administration services.

According to the latest customer satisfaction survey, approximately 65 percent of the customers of the financial management services are satisfied with the quality of services and 12 percent of Administer's customers, are dissatisfied for the quality of the services. The customer satisfaction survey indicated that Administer's customers are particularly satisfied with Administer's strong professional skill and competence and with the quality of its work. In addition, Administer's financial management systems were praised in the customer satisfaction survey for their clarity and user-friendliness. According to the latest customer satisfaction survey, approximately 60 percent of the customers of the HR and payroll administration services are satisfied with the quality of the service. The customer satisfaction survey indicated that Administer's customers are particularly satisfied with efficiency of processes and the professional skill and expertise of the payroll experts and their smooth service. According to the customer satisfaction survey, customers however expect Administer to engage in more active communications in the future, especially in changing situations, as well as to have a stronger presence in its customers' day-to-day operations.

The Group is investing heavily in the digital service model which is based on Administer's own software. Currently Administer is particularly developing artificial intelligence and mobile services in this regard (for more information, see "*– Research and development*").

In the view of Administer's management, a close cooperation with customers forms the foundation for long customer relationships and the opportunity to grow with the customers. Administer's service offering consists of outsourcing services for business-critical functions, and for this reason, Administer plays a key role in its customers' business. The life cycle of a customer relationship is typically long, which enables the Company to offer various value-added services at various stages of the relationship. These include controller, financial manager and HR services and various consultancy services, which are described in more detail in "*– Description of the Business*".

### **Sales and Marketing**

Administer's 25-member internal sales organisation is responsible for the Group's organic growth, and it focuses primarily on the acquisition of new customers. The sales organisation is divided based on the customer segments into four parts; SME sector and accounting customers, large and mid-sized companies, public sector. For the SME sector and accounting customers, sales are conducted through a regional organisation in ten (10) different cities and in other respects sales are conducted nationally. Every salesperson contacts and meets potential customers in their area of responsibility and handles the sales process from start to finish, utilising other experts in the organisation, if necessary. For its contacts, the sales organisation also uses partners through which the first conversations with potential customers can be kick-started more effectively. Every salesperson has their personal area of competence, but all of them sell Administer's wide range of services and software. The sales organisation is trained regularly in sales work, among other things, where the aim is to find the best possible solution for the customer's needs.

The five-person marketing team and partner network are built to support the sales organisation in new customer acquisition, to increase awareness of Administer and to strengthen Administer's general image which, according to Administer's management's view is a pioneer in the industry. In the acquisition of potential customers, digital marketing is mostly used in different channels. The Group's own media channels are the online services of the businesses, LinkedIn, Facebook, Instagram, Twitter and YouTube. The Group's own events and partnered events, webinars, expert content, newsletters and advertising are used to increase awareness and strengthen perceptions of Administer and to manage customer relationships.

### **Business Acquisitions**

Administer's strategy also includes inorganic and scalable growth through business acquisitions (for more information on the strategy, see "*– Strategy*"), for which the smaller accountant firms in the industry offer an excellent opportunity in the view of Administer's management. Scalable growth is based on potential synergies on the cost and sales side. The cost synergies include overlapping costs, including the costs related to premises, administration and IT systems, as well as Administer's ability to implement its own eFina software as part of the business of the acquired company. In addition, Administer may aim to accelerate the growth of the acquired business by using its own sales organisation. An example of a successful business acquisition was that of Jämsän Tilikeskus Oy, which took place in September 2017. Following its acquisition, Jämsän Tilikeskus succeeded in growing its operating profit margin by 16 percentage points from 28 percent in the 2017 financial period to 44 percent in the 2018 financial period by realising cost-side synergies. Boosted by Administer's sales organisation, the net sales of Jämsän Tilikeskus grew from around EUR 230 thousand in the 2017 financial period to around EUR 480 thousand in 2020.<sup>29</sup>

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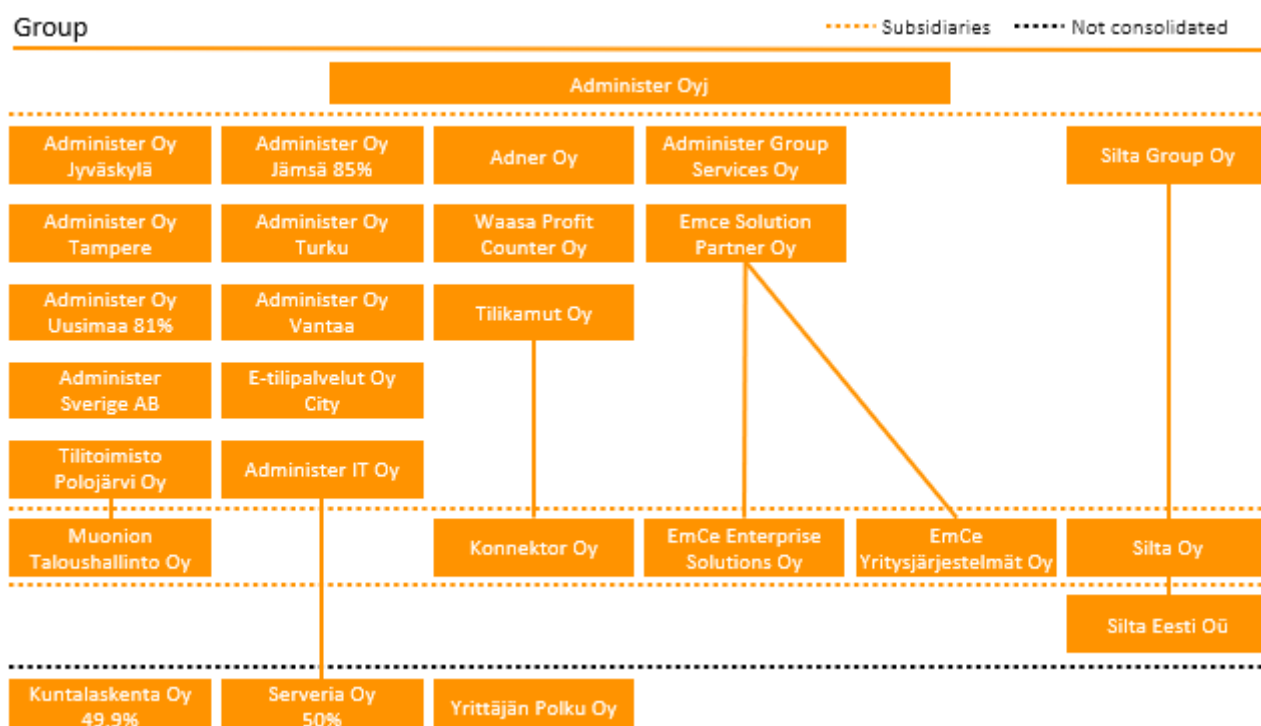
<sup>29</sup> Source: Financial statements of Jämsän Tilikeskus Oy 2015–2020.

Administer has completed business acquisitions described below since 1 January 2018.

- **Kuntalaskenta Oy.** In April 2018, the Company acquired 49.9 percent of Kuntalaskenta Oy, which offers financial management services to customers in the public sector.
- **Silta Group Oy.** In May 2018, Administer completed the acquisition of all the shares of Silta Group Oy. Silta Group Oy and its subsidiaries Silta Oy and Silta Group Oü provide payroll calculation and HR administration expert services. Following the acquisition, Silta continued its business independently and with its own brand.
- **Administer Oy Turku, Administer Oy Jyväskylä and Tilitoimisto Polojärvi Oy.** In 2019, Administer acquired the minority shareholdings in Administer Oy Turku, Administer Oy Jyväskylä and Tilitoimisto Polojärvi Oy with the result that the Company now holds all shares of these companies. The purpose of this arrangement was to streamline the Administer’s Group structure.
- **Emce Solution Partner Oy.** In August 2021, Administer executed the EmCe transaction by acquiring all the shares of EmCe Solution Partner Oy. EmCe Solution Partner Oy owns all the shares of EmCe Enterprise Solutions Oy and EmCe Yritysjärjestelmät Oy. Administer acquired the shares through a share exchange under which the shareholders of EmCe Solution Partner Oy transferred their shares to the Company in exchange for shares in the Company. With the EmCe business acquisition, Administer gained ownership of financial management and ERP software, which has a significant impact especially on the software services offered by Administer.
- **Tilikamut Oy.** Administer carried out its latest business acquisition in October 2021, when it acquired all the shares of a company called Tilikamut Oy through a share exchange. Tilikamut Oy owns 100 percent of Konnektor Oy.

## Group Structure

As on the date of this Offering Circular, the Administer Group consists of the parent company Administer Plc and twenty-two (22) operational subsidiaries directly or indirectly owned by the Company, as well as three (3) affiliated companies outside the Group, of which the Company owns directly or indirectly 49.9–100.0 percent. The chart below presents the simplified current legal structure of the Group:



## The Group's subsidiaries and affiliates

The table below presents the most significant subsidiaries and affiliated companies of the Company:

<b>Name of subsidiary</b>	<b>Domicile</b>	<b>Holding (%)</b>
Administer Oy Jyväskylä	Helsinki	100.0
Administer Oy Jämsä	Jämsä	85.0
Administer Oy Tampere	Helsinki	100.0
Administer Oy Turku	Helsinki	100.0
Administer Oy Uusimaa	Mäntsälä	81.0
Administer Oy Vantaa	Helsinki	100.0
Administer Group Services Oy	Helsinki	100.0
Administer IT Oy	Helsinki	100.0
Serveria Oy	Helsinki	50.0 <sup>1)</sup>
Adner Oy	Helsinki	100.0
Administer Sverige AB	Stockholm, Sweden	100.0
E-Tilipalvelut Oy City	Helsinki	100.0
Tilitoimisto Polojärvi Oy	Muonio	100.0
Waasa Profit Counter Oy Ab	Vaasa	100.0
Silta Group Oy	Helsinki	100.0
Silta Oy	Helsinki	100.0 <sup>2)</sup>
Silta Eesti OÜ	Tallinn, Estonia	100.0 <sup>3)</sup>
Emce Solution Partner Oy	Helsinki	100.0
EmCe Enterprise Solutions Oy	Helsinki	100.0 <sup>4)</sup>
EmCe Yritysjärjestelmät Oy	Helsinki	100.0 <sup>4)</sup>
Kuntalaskenta Oy	Pieksämäki	49.9
Yrittäjän Polku Oy	Helsinki	100.0 <sup>5)</sup>
Tilikamut Oy	Pieksämäki	100.0
Konnektor Oy	Joensuu	100.0 <sup>6)</sup>

- 1) A company 50% owned by Administer IT Oy.
- 2) A company 100% owned by Silta Group Oy.
- 3) A company 100% owned by Silta Oy.
- 4) A company 100% owned by Emce Solution Partner Oy.
- 5) The Company holds 20% of voting rights in Yrittäjän Polku Oy.
- 6) A company 100% owned by Tilikamut Oy.

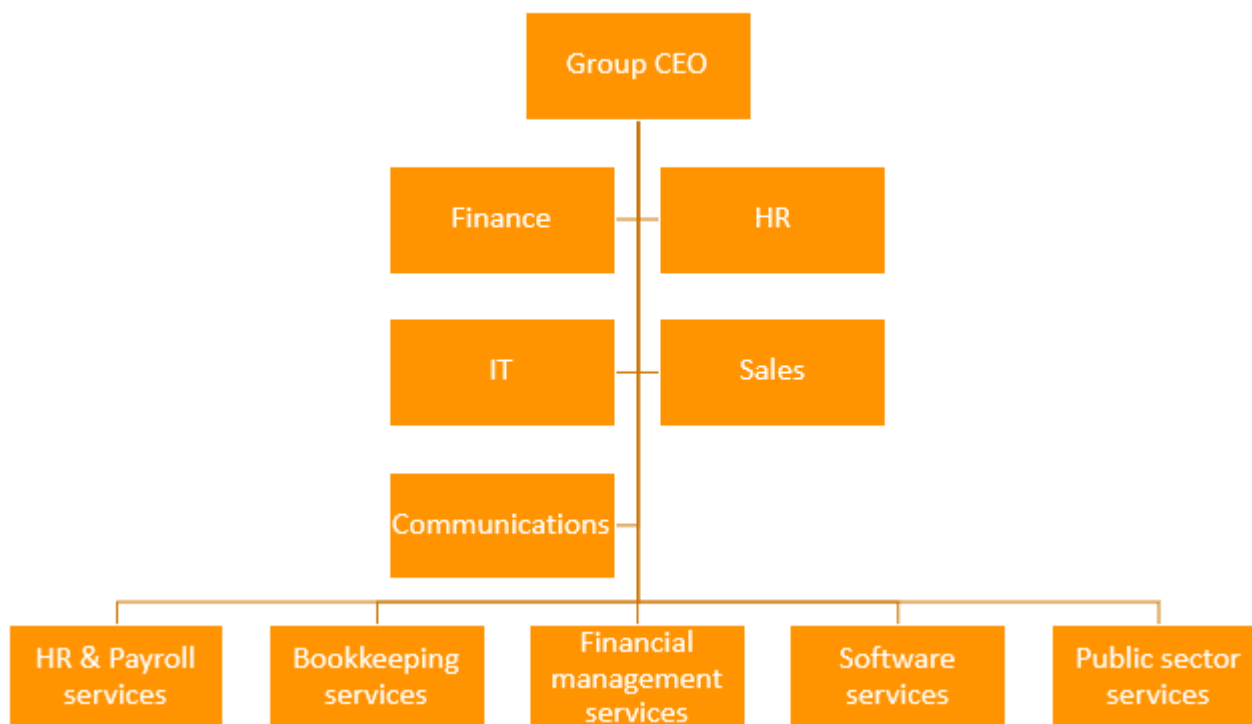
## Organisation and Personnel

As on 30 November 2021, the Company employed 99 people. As on 30 November 2021, the Group employed a total of 590 people. The corresponding figures for the year ended 31 December 2020 were 122 people employed by the Company and 594 people employed by the Group. As on 30 November 2021, Administer had four employees in Sweden and six employees in Estonia. In its business activities, the Group mainly uses its own personnel, as well as temporary workers to a small extent.

In Administer's organisation model, the most senior body after the Board of Directors is the Group Management Team, which is led by the CEO and includes nine other members.

## Group structure

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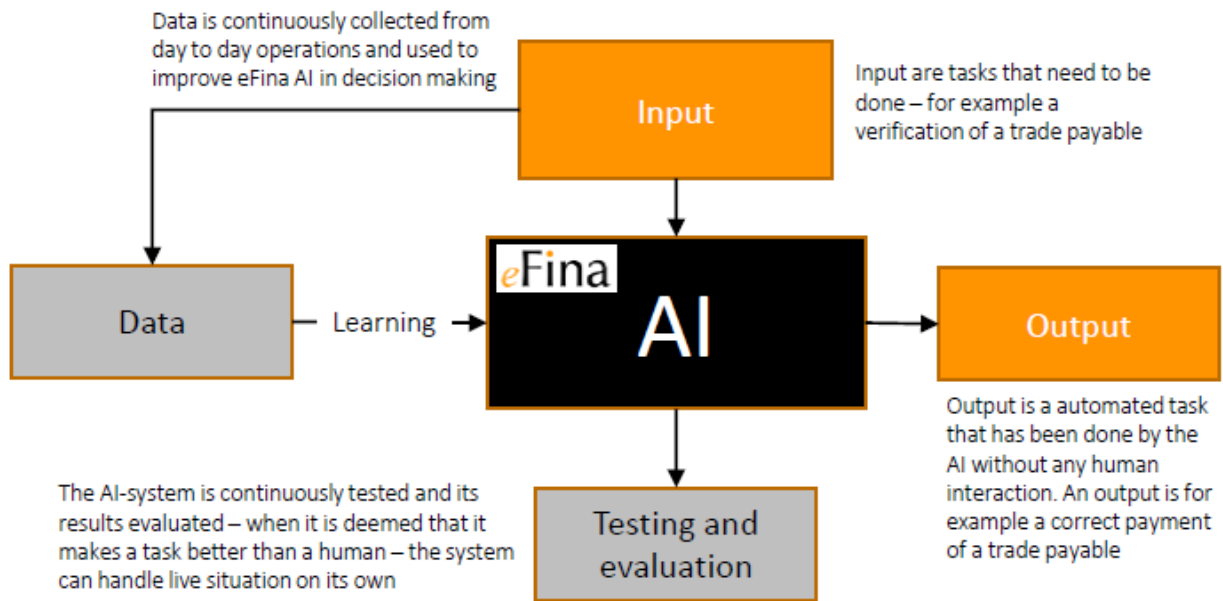


### Research and Development

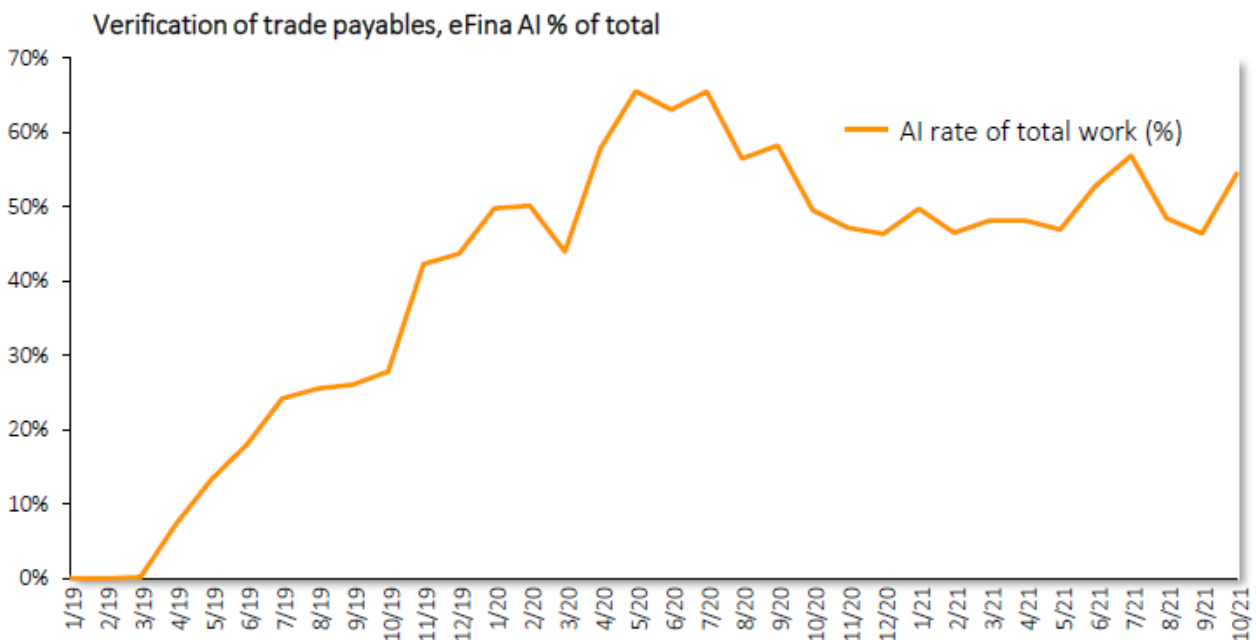
Administer uses its own technology to provide services and create software, and this requires significant investments in research and development. Administer has a long history in the development of software products for its own service production and software sales. Administer's own software, eFina, EmCe and Silta Mobiili Simo, are widely used and can be further developed, and Administer invests significantly in their development on annual basis, particularly with the aim of improving the automation of financial management processes, which has already been started. Using AI, various features that make the user's day-to-day operations easier are added to the software products, in addition to which value-added products such as EmCe365 are used to facilitate the work of people who participate in processes. Expenses that generate long-term income are capitalised on the balance sheet under development expenses, which consist mostly of work performed and services procured from external parties. For more information on the Company's own software, see "*Description of the Business – Software Services*". Administer's own development team includes approximately 60 people.

Administer's management believes that automation and AI will control financial management services in the future, due to which Administer is investing significant amounts in development of technology. Administer has internally developed tools integrated into the eFina software that are used to automate procedures that traditionally have been handled manually. In the future, Administer will aim to continuously develop its AI solutions for making more sensible and better decisions using the large amount of data it has collected.

The image below presents the AI development process in more detail:



The results of AI can be monitored, as the system sends reports that describe the tasks it has handled, for example how many tasks the AI has performed and to what degree of accuracy. As on the date of this Offering Circular, the system is used exclusively in financial management services, but following the EmCe business acquisition, Administer has the capability to also develop automation in its payroll administration services. The graph below illustrates how much, as a percentage, AI handles of all procedures involved in the confirmation of purchases.



In addition to what is described above, in 2019, Administer has implemented the human resource management system it has developed as part of the eFina software and, consequently, in the financial management business. Through the management system, Administer’s management have the tools to monitor work efficiency, which allows Administer to manage its personnel’s work more effectively. In the system, each employee has their own personal calendar where their tasks are filled in in advance. The system allows the employee’s work rate to be measured by monitoring how many hours out of the potential working hours the employee performs invoiceable work every month. By measuring the work rate, Administer’s management is able to monitor the personnel’s work efficiency and to provide support for employees with a low work efficiency. The support is provided by the management and, through the mentor programme, by selected employees with a high work efficiency. As part of its efforts to improve efficiency, Administer constantly aims to improve its personnel’s work rate and, consequently, the entire financial management business. In connection with the launch of

the resource management system in May 2019, the total capacity utilisation rate of Administer's financial management services business was around 32 percent, compared to approximately 51 percent in October 2021. Administer's management believes that the increase in the efficiency level will enable it to grow its net sales without significant additional personnel expenses.

Development expenses are expected to increase in the future due to the development of new software products. Administer's aim is to expand its functions, such as document management, tracking of working hours and recruitment systems, through new applications with which it can offer larger service packages to the customers than before. The Group's ERP systems are based on third-party software, namely Microsoft Dynamics 365 Business Central and Oracle NetSuite, in conjunction with which Administer carries out its own product development to serve financial management processes better than before.

## **Intellectual Property Rights and IT**

### ***Intellectual Property Rights***

Administer uses several business names, brands, product names, trademarks and domains, which it aims to protect with adequate means. Administer owns all the rights to its software products, which are described in further detail in "*– Description of the Business – Software Services*". In addition, Administer uses several third-party software solutions in accordance with its user license agreements.

### ***IT***

The Company's key data systems are related to Administer's ordinary operations, including the provision of Administer's services and internal operations such as personnel and contract management. In its operations, Administer uses its own software (for more information, see "*– Description of the Business – Software Services*") as well as software and data systems procured from third parties. In the view of Administer's management, the suppliers of software and data systems used by Administer are reputable companies, in addition to which Administer continuously invests internally in the development and efficient maintenance of its data systems (for more information, see "*– Research and Development*"). Administer's dependence on third-party systems is described in "*Risk Factors – Risks Relating to Administer's Business – Administer is dependent on the services and products provided by its partners and Administer may be liable to compensate for errors committed by its partners; Administer is exposed to the counterparty risk in its contractual relationships*".

## **Sustainability and the Environment**

Sustainability forms a part of Administer's day-to-day activities. Administer aims to work and offer services profitably and sustainably while taking into account the wellbeing of people and nature.

### ***Responsibility for People***

Administer employs people across Finland and its personnel are Administer's most important resource. Administer takes care of the wellbeing of its personnel, offering them comprehensive occupational health care services and versatile exercising and wellbeing services. Administer's joint exercising challenges also improve the community spirit at the workplace.

Administer's personnel have numerous opportunities to develop their competence and professional skills. Administer's extensive training selection includes different forms of education for the various needs of the personnel. Administer encourages its employees to complete, among other education, the bookkeeping and accountancy diploma (KLT-tutkinto in Finnish) or the corresponding payroll administration diploma (PHT-tutkinto in Finnish) and provides the training for them as well as the costs of taking the test.

Administer constantly aims to develop the content of the work, the work community and the working environment to increase personnel wellbeing. Administer takes the various life situations of its employees into account by offering, for example, flexible working hours and the opportunity to work remotely. In 2019, Administer introduced an ERP system with which the management can monitor the personnel's total workload and provide support and resources where they are needed. Administer respects human rights in all of its activities and does not accept any kind of discrimination, harassment or bullying. With its actions, Administer also aims to reduce the fairly large personnel turnover that is typical to the industry, and it regularly conducts personnel surveys to measure and improve the working atmosphere.



## ***Responsibility for the Environment***

Digital financial management is at the core of Administer's business and its aim is to minimise the use of paper in accounting and payroll administration. In its own premises, Administer recycles, aims to reduce energy consumption and favours sustainable solutions and recycled materials. In its procurement of materials, Administer focuses on sustainable products and services.

Administer's employees aim to reduce unnecessary travel and maintain close contacts with their customers and colleagues online and over the phone. Administer develops and uses digital tools to support cooperation with the customers.

## ***Responsibility for the Business and the Economy***

Administer wants to offer its customers local services throughout Finland. Administer's financial management professionals know the customers' operating environment.

Administer manages the finances of its customers and its own finances prudently. Administer seeks to ensure the continuity of its operations through profitable business operations and good governance. Administer's entire personnel are familiar with Administer's Sustainability and Ethical Code of Conduct and its procedures for preventing bribery and corruption.

Strong data protection is a key requirement in Administer's business. Administer's Data Protection Policy allows the Company to see to the statutory rights and obligations related to the processing of the personal data of its customers, personnel and representatives of other stakeholders.

## **Insurance**

Administer's insurance policies include voluntary and statutory insurance that fulfils the national insurance requirements and contractual insurance requirements. According to Administer's management, the Company and its subsidiaries maintain the industry's customary insurance cover to protect the Company and its subsidiaries from potential damage claims and liabilities encountered in the course of business. Administer also maintains valid liability, legal protection, interruption and property insurances and statutory personnel insurances. The insurance policies contain the customary limitations, which means they may not necessarily cover all damage incurred.

## **Material Agreements**

### ***Partnership Agreement with CGI Suomi Oy***

Silta Oy and CGI Suomi Oy ("CGI") have, on 27 April 2018, entered into a partnership agreement under which Administer has the right to market and sell, as an independent distributor, the application and system services related to payroll services and HR administration offered by CGI as software as a service (SaaS); Administer may sell these to its customers who are end users of the SaaS and to provide the SaaS to Administer and the end users. As part of the partnership agreement, Administer has committed to a minimum purchase obligation. The minimum purchase obligation is EUR 2.55 million in the period 1 January 2021–31 December 2021, EUR 2.9 million in the period 1 January 2022–31 December 2022 and EUR 1.65 million in the period 1 January 2023–30 June 2023.

On 19 November 2021, Silta Oy and CGI have entered into an agreement on the transfer of the minimum purchase obligation, according to which the parties agree that the difference between realised purchases and the minimum purchase obligation for 2021, estimated to be in total EUR 350,000, will be moved forward to the period of 1 January 2022 – 31 December 2022 and the difference will be added to the 2022 minimum purchase obligation under the Partnership Agreement. If the minimum purchase obligation for 2022 will not materialize, the parties may agree to transfer the difference between realised purchases and the minimum purchase obligation to the period of 1 January 2023 – 31 December 2023. In addition, the parties have committed to negotiating a new partnership agreement during 2022, which would replace the now existing Partnership Agreement after 30 June 2023.

## **Legal Proceedings**

The Company is, from time to time, involved in various claims and legal proceedings arising from the ordinary course of business, such as claims related to the employees or customers.

As the date of this Offering Circular, or in the 12 months preceding the date of this Offering Circular, the Company was not involved in any legal, arbitration or administrative proceedings that could have, or have had over the past 12 months,

a significant effect on the financial position or profitability of the Company or its subsidiaries, nor is the Company aware of any pending proceedings or the threat thereof.

## **Regulatory Environment**

While providing its services, Administer and its personnel observe the requirements of European Union and national legislation (particularly in Finland, Sweden and Estonia). The legislation Administer complies with in its operations particularly concerns factors related to the operations, accounting, financial statements and auditing of entities as well as the securities markets and taxation.

Administer also processes personal data in its operations. Such data include data concerning, for example, its employees, customers and partners. When processing personal data, Administer thoroughly complies with data protection legislation, and in particular Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), which places certain requirements on Administer's business.

Administer participates to some extent in public procurement tenders for all services it provides, in which case for example, the exclusion criteria pursuant to Sections 80 and 81 of the Finnish Public Procurement Act (the "**Procurement Act**") also apply when participating in public procurement tenders. Pursuant to Section 80 of the Procurement Act, a contracting entity must exclude a tenderer from the tender if the tenderer or a member of its administrative, management or supervisory body or a person exercising representation, decision-making or supervision has been convicted of the offences specified in that Section during the past five (5) years. Pursuant to Section 81 of the Procurement Act, a contracting entity may also decide to exclude a tenderer if the tenderer, or in certain respects a member of its administrative, management or supervisory body or a person exercising representation, decision-making or supervision powers, has committed any of the act specified in that Section during the past three (3) years. Under these discretionary exclusion criteria, the contracting entity has a margin of discretion in assessing the reliability of the tenderer, and the exclusion need not to be based on a final judgement or decision. Further, the contracting entity's decision may be based, for example, on a breach of the tenderer's previous contractual obligations. In some cases, the fault of the tenderer's group company in any of the above may also entitle the contracting entity to decide to exclude the tenderer from the tender.

Administer's regulatory environment is also affected by possible new regulatory initiatives at European Union and national level concerning Administer's industry and activities, as well as the current official decisions by the authorities concerning Administer in general or its industry.

## SELECTED FINANCIAL INFORMATION

The tables below present Administer's selected financial information for the nine months period ended on 30 September 2021 and 30 September 2020, as well as selected consolidated financial statement information for the financial periods ended 31 December 2020, 31 December 2019 and 31 December 2018 derived from audited consolidated financial statements prepared in accordance with the FAS.

The Company's audited consolidated financial statements for the financial periods ended 31 December 2020, 31 December 2019 and 31 December 2018, as well as the Company's unaudited financial information for the nine months period ended 30 September 2021, including unaudited comparative figures for the nine months period ended 30 September 2020, are incorporated in this Offering Circular by reference. The following review should be read together with the section "Operating and Financial Review and Future Prospects" and the information incorporated in this Offering Circular by reference.

### Consolidated Income Statement

(TEUR)	1 Jan–30 Sep		1 Jan–31 Dec		
	2021	2020	2020	2019	2018
	(Unaudited)		(Audited)		
<b>NET SALES</b> .....	<b>29,981</b>	<b>32,518</b>	<b>43,678</b>	<b>45,285</b>	<b>36,971</b>
Other operating income.....	104	76	115	16	132
Materials and services					
Purchases.....	-3,327	-3,115	-4,176	-4,349	-4,073
External services .....	-438	-1,027	-1,233	-1,330	-1,661
Total .....	-3,765	-4,142	-5,409	-5,679	-5,733
Personnel expenses					
Salaries and wages.....	-17,250	-17,707	-23,632	-24,547	-19,464
Social security costs					
Pension costs .....	-2,893	-2,770	-3,548	-4,186	-3,481
Other expenses related to personnel .....	-579	-545	-744	-719	-662
Total.....	-20,723	-21,022	-27,924	-29,452	-23,607
Depreciation, amortization and impairment					
Depreciations and amortizations ac- cording to plan .....	-1,484	-1,139	-1,559	-2,074	-1,412
Total.....	-1,484	-1,139	-1,559	-2,074	-1,412
Other operating expenses .....	-4,284	-4,636	-6,139	-7,214	-5,875
Share of results of affiliates .....	39	63	127	0	0
<b>OPERATING PROFIT (LOSS)</b> .....	<b>-133</b>	<b>1,718</b>	<b>2,890</b>	<b>882</b>	<b>476</b>
Financial income and expenses					
Other interest and financial income	10	9	14	11	9
Interest and other financial expenses .....	-200	-222	-291	-320	-245
Total.....	-190	-212	-278	-309	-237
<b>PROFIT BEFORE APPROPRIATIONS AND TAX</b> .....	<b>-322</b>	<b>1,506</b>	<b>2,612</b>	<b>574</b>	<b>239</b>
Income tax.....	-125	-494	-634	-127	-200

Minority interest.....	-15	-11	-23	-18	-45
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-462</b>	<b>1,001</b>	<b>1,955</b>	<b>429</b>	<b>-5</b>

## Consolidated Balance Sheet

(TEUR)

	As on 30 September		As on 31 December		
	2021	2020	2020	2019	2018
	(Unaudited)		(Audited)		
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Intangible assets					
Development expenditures.....	1,463	782	931	395	356
Intangible rights .....	511	572	532	653	625
Consolidated goodwill .....	22,768	13,461	13,253	13,980	12,504
Goodwill .....	625	767	718	743	754
Other capitalised long-term expenditures .....	1,150	1,109	1,142	947	902
Total .....	26,518	16,691	16,575	16,719	15,141
Tangible assets					
Land and water areas.....	36	36	36	36	36
Buildings and structures.....	170	177	176	183	191
Machinery and equipment.....	241	240	248	241	325
Other tangible assets .....	11	11	11	13	19
Advance payments and work in progress.....	0	0	0	0	0
Total .....	459	465	472	474	571
Investments					
Shares in affiliated companies...	259	178	230	1	1
Participating interests .....	0	0	0	0	1
Other shares .....	5	104	5	106	106
Total .....	263	282	234	108	108
<b>NON-CURRENT ASSETS, TOTAL .....</b>	<b>27,240</b>	<b>17,438</b>	<b>17,281</b>	<b>17,300</b>	<b>15,820</b>
<b>CURRENT ASSETS</b>					
Receivables					
Non-current					
Trade receivables .....	4	2	2	2	3
Receivables from the Group companies .....	0	0	0	0	0
Other receivables.....	90	83	87	128	131
Total .....	94	85	89	130	134
Current					
Trade receivables .....	5,504	6,088	5,572	6,644	6,947
Loan receivables .....	21	-2	4	3	12
Other receivables.....	77	31	10	34	37
Unpaid shares.....	0	0	0	0	0
Prepayments and accrued income.....	632	443	989	908	850
Total .....	6,234	6,559	6,574	7,590	7,846

Financing securities	349	0	0	0	0
Cash and cash equivalents .....	992	833	761	718	1,496
<b>CURRENT ASSETS, TOTAL.....</b>	<b>7,669</b>	<b>7,477</b>	<b>7,425</b>	<b>8,437</b>	<b>9,476</b>
<b>TOTAL ASSETS .....</b>	<b>34,909</b>	<b>24,915</b>	<b>24,706</b>	<b>25,738</b>	<b>25,296</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital .....	3	3	3	3	3
Other reserves .....	15,813	5,554	5,554	5,554	5,250
Retained earnings (loss) .....	3,918	2,170	1,943	1,507	1,434
Profit (loss) for the period .....	-462	1,001	1,955	429	-5
<b>TOTAL EQUITY .....</b>	<b>19,271</b>	<b>8,717</b>	<b>9,455</b>	<b>7,492</b>	<b>6,681</b>
<b>MINORITY INTEREST.....</b>	<b>19</b>	<b>4</b>	<b>24</b>	<b>25</b>	<b>117</b>
<b>ACCRUED APPROPRIATIONS .....</b>	<b>242</b>	<b>111</b>	<b>189</b>	<b>103</b>	<b>34</b>
<b>STATUTORY PROVISIONS.....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>34</b>
<b>LIABILITIES</b>					
Non-current					
Capital loan .....	500	500	500	500	500
Loans from financial institutions.....	2,391	4,272	3,726	5,685	7,556
Other liabilities.....	411	-110	0	0	133
Total .....	3,303	4,662	4,226	6,185	8,189
Current					
Loans from financial institutions.....	2,940	2,635	2,069	2,177	1,755
Trade payables .....	1,737	2,351	1,942	3,024	1,693
Other liabilities.....	2,526	2,477	2,669	2,037	1,971
Accrued expenses and deferred income.....	4,870	3,948	4,132	4,695	4,856
Total .....	12,073	11,411	10,812	11,933	10,275
<b>TOTAL LIABILITIES.....</b>	<b>15,376</b>	<b>16,073</b>	<b>15,038</b>	<b>18,118</b>	<b>18,464</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>34,909</b>	<b>24,915</b>	<b>24,706</b>	<b>25,738</b>	<b>25,296</b>

## Consolidated Statement of Cash Flow

(TEUR)	1.1.-30.9		1.1.-31.12		
	2021	2020	2020	2019	2018
	(unaudited)		(audited)		
Cash flow from operating activities .....	1 213	2 486	3 471	4 185	-3 259
Cash flow from investment activities .....	-1 504	-1 102	-1 413	-3 555	-13 213
Cash flow from financing activities .....	523	-1 269	-2 015	-1 408	15 412
<b>Change in cash and cash equivalents..</b>	<b>231</b>	<b>115</b>	<b>43</b>	<b>-778</b>	<b>-1 060</b>
Cash and cash equivalents at the beginning of period .....	761	718	718	1 496	2 556
Cash and cash equivalents at the end of period .....	992	833	761	718	1 496

## Key Figures

(TEUR)	1-9/2021	1-9/2020	1-12/2020	1-12/2019	1-12/2018
	(Unaudited, unless otherwise indicated)				
Net sales .....	29,981	32,518	43,678 <sup>1)</sup>	45,285 <sup>1)</sup>	36,971 <sup>1)</sup>
EBITDA .....	1,352	2,857	4,449	2,957	1,888
EBITDA, % .....	4.5%	8.8%	10.2%	6.5%	5.1%
Operating profit adjusted by amortization of goodwill	789	2,440	3,850	1,858	1,091
Operating profit adjusted by amortization of goodwill, %	2.6%	7.5%	8.8%	4.1%	3.0%
Operating profit (loss) .....	-133	1,718	2,890 <sup>1)</sup>	882 <sup>1)</sup>	476 <sup>1)</sup>
Operating profit (loss), % .....	-0.4%	5.3%	6.6%	1.9%	1.3%
Profit before appropriations and tax .....	-322	1,506	2,612 <sup>1)</sup>	574 <sup>1)</sup>	239 <sup>1)</sup>
Profit (loss) for the period	-462	1,001	1,955 <sup>1)</sup>	429 <sup>1)</sup>	-5 <sup>1)</sup>
Profit adjusted by amortization of goodwill	460	1,723	2,915	1,405	610
Profit adjusted by amortization of goodwill, % .....	1.5%	5.3%	6.7%	3.1%	1.6%
Return on equity, % (ROE) .....	3.4%	13.7%	23.1%	6.1%	-0.1%
Equity ratio, % .....	55.2%	35.0%	38.3%	29.1%	26.4%
Debt-to-equity ratio, % .....	33.9%	82.6%	65.1%	109.7%	143.6%
Net sales growth, % .....	-7.8%	-	-3.5%	22.5%	82.7%
Number of personnel .....	590	573	594	645	514
Net sales per employee .....	50.8	56.8	73.5	70.2	71.9
Personnel expenses per employee .....	35.1	36.7	47.0	45.7	45.9
Ratio of personnel expenses to net sale, %	69.1%	64.6%	63.9%	65.0%	63.9%

1) Audited

## 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, %	$\frac{\text{EBITDA}}{\text{Net sales}}$	Describes the ratio of EBITDA to net sales.
Operating profit adjusted by 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 by amortization of goodwill, %	$\frac{\text{Operating profit adjusted by amortization of goodwill}}{\text{Net sales}}$	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.
Operating profit (loss), %	$\frac{\text{Operating profit (loss)}}{\text{Net sales}}$	Describes the ratio of operating profit to net sales.
Profit adjusted by 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 adjusted by amortization of goodwill %	$\frac{\text{Profit adjusted by amortization of goodwill}}{\text{Net sales}}$	Describes the share of operating profit in net sales excluding the impact of amortization of goodwill.
Return on equity, % (ROE)	$100 \times \frac{\text{Profit (loss) for the financial period (rolling 12 months)}}{\text{Average equity (rolling 12 months)}}$	Measures the result for the period in relation to equity. Average equity is an average of equity at the beginning of and at the end of a financial period.
Equity ratio, %	$\frac{\text{Equity at the end of period}}{\text{Total assets at the end of period – advances received}}$	Describes the ratio of Administer's assets to equity
Debt-to-equity ratio, %	$\frac{\text{Interest-bearing liabilities}}{\text{(Equity + goodwill + minority interest+ accrued appropriations)}}$	Reflects the total amount of Administer's external debt financing.
Net sales growth %	$100 \times \frac{\text{Net sales for the period – net sales for the reference period}}{\text{Net sales for the reference period}}$	Describes operating growth between periods.

## Reconciliation of Certain Alternative Key Figures and other Key Figures

(TEUR)	1-9/2021	1-9/2020	1-12/2020	1-12/2019	1-12/2018
<b>EBITDA</b>					
Operating profit (loss) .....	-133	1,718	2,890	882	476
Depreciation, amortization and impairment.....	1,484	1,139	1,559	2,074	1,412
<b>Total</b> .....	<b>1,352</b>	<b>2,857</b>	<b>4,449</b>	<b>2,957</b>	<b>1,888</b>
<b>EBITDA, %</b>					
EBITDA .....	1,352	2,857	4,449	2,957	1,888
Net sales.....	29,981	32,518	43,678	45,285	36,971
<b>Total</b> .....	<b>4.5%</b>	<b>8.8%</b>	<b>10.2%</b>	<b>6.5%</b>	<b>5.1%</b>
<b>Operating profit adjusted by amortization of goodwill</b>					
Operating profit (loss)	-133	1,718	2,890	882	476
Amortization of goodwill	922	722	960	976	615
<b>Total</b>	<b>789</b>	<b>2,440</b>	<b>3,850</b>	<b>1,858</b>	<b>1,091</b>
<b>Operating profit adjusted by amortization of goodwill, %</b>					
Operating profit adjusted by amortization of goodwill	789	2,440	3,850	1,858	1,091
Net sales	29,981	32,518	43,678	45,285	36,971
<b>Total</b>	<b>2.6%</b>	<b>7.5%</b>	<b>8.8%</b>	<b>4.1%</b>	<b>3.0%</b>
<b>Operating profit (loss)</b>					
Net sales.....	29,981	32,518	43,678	45,285	36,971
Other operating income .....	104	76	115	16	132
Share of the profit of affiliated companies	39	63	127	0	0
Materials and services	-3,765	-4,142	-5,409	-5,679	-5,733
Personnel expenses.....	-20,723	-21,022	-27,924	-29,452	-23,607
Other operating expenses.....	-4,284	-4,636	-6,139	-7,214	-5,875
Depreciation, amortization and impairment .....	-1,484	-1,139	-1,559	-2,074	-1,412
<b>Total</b> .....	<b>-133</b>	<b>1,718</b>	<b>2,890</b>	<b>882</b>	<b>476</b>
<b>Operating profit (loss), %</b>					
Operating profit (loss) .....	-133	1,718	2,890	882	476
Net sales.....	29,981	32,518	43,678	45,285	36,971
<b>Total</b> .....	<b>-0.4%</b>	<b>5.3%</b>	<b>6.6%</b>	<b>1.9%</b>	<b>1.3%</b>
<b>Profit adjusted by amortization of goodwill</b>					
Profit (loss) for the financial period	-462	1,001	1,955	429	-5
Amortization of goodwill	922	722	960	976	615
<b>Total</b>	<b>460</b>	<b>1,723</b>	<b>2,915</b>	<b>1,405</b>	<b>610</b>
<b>Profit adjusted by amortization of goodwill, %</b>					
Profit adjusted by amortization of goodwill	460	1,723	2,915	1,405	610
Net sales	29,981	32,518	43,678	45,285	36,971
<b>Total</b>	<b>1.5%</b>	<b>5.3%</b>	<b>6.7%</b>	<b>3.1%</b>	<b>1.6%</b>



**Return on equity, % (ROE)**

Profit (loss) of the financial period (12 m)	493	1,108	1,955	429	-5
Average equity					
Equity .....	19,271	8,717	9,455	7,492	6,681
Average equity (12 m) .....	14,363	8,105	8,474	7,087	4,256
<b>Total</b>	<b>3.4%</b>	<b>13.7%</b>	<b>23.1%</b>	<b>6.1%</b>	<b>-0.1%</b>

**Equity ratio, %**

Equity at the end of period .....	19,271	8,717	9,455	7,492	6,681
Total assets at the end of period .....	34,909	24,915	24,706	25,738	25,296
Advances received	0	0	0	0	0
<b>Total</b> .....	<b>55.2%</b>	<b>35.0%</b>	<b>38.3%</b>	<b>29.1%</b>	<b>26.4%</b>

**Debt-to-equity ratio, % .....**

Non-current interest-bearing liabilities .....	3,303	4,662	4,226	6,185	8,056
Current interest-bearing liabilities	3,328	2,635	2,069	2,177	1,755
Equity .....	19,271	8,717	9,455	7,492	6,681
Goodwill .....	0	0	0	0	0
Minority interest .....	19	4	24	25	117
Accrued appropriations .....	242	111	189	103	34
<b>Total</b> .....	<b>33.9 %</b>	<b>82.6 %</b>	<b>65.1 %</b>	<b>109.7 %</b>	<b>143.6 %</b>

## UNAUDITED PRO FORMA FINANCIAL INFORMATION

### Basis of Compilation of the Unaudited Pro Forma Financial Information

#### *General*

The following unaudited Pro Forma Financial Information is presented to illustrate the effects of the events described below on the Company's results of operations and financial position as if they had occurred at an earlier date.

Unaudited Pro Forma Financial Information for the nine months period ended 30 September 2021 and for the financial period ended 31 December 2020 illustrate the impacts of the Company's Acquisition on 15 August 2021 of Emce Solution Partner Group on the consolidated income statement as if they had been realised on 1 January 2020. Pro Forma balance sheet information is not presented, as the above-mentioned transaction is included in the balance sheet completed as on 30 September 2021.

The unaudited Pro Forma Financial Information has been prepared for illustrative purposes only to illustrate the Group's financial results in a situation where the above-mentioned events would have occurred at an earlier date. The Pro Forma Financial Information reflects a hypothetical situation and therefore does not necessarily indicate the result of the Group's operations if the events had occurred on the above-mentioned date. Furthermore, the Pro Forma Financial Information is not intended to indicate the results of the Group's operations in the future, and the presented information does not illustrate possible cost savings, synergies or integration expenses, that the transaction described above is expected to generate for the Group.

#### *Historical Financial Information*

When preparing the unaudited Pro Forma Financial Information, adjustments have been made to the historical information; these adjustments are intended show the impact of the transactions described above and can be justified with facts. The unaudited Pro Forma Financial Information include pro forma adjustments based on assumptions, and the Company's management believes that they are reasonable in the prevailing circumstances. The assumptions used in the unaudited Pro Forma Financial Information are described in sections " – Notes to the Pro forma Financial Information for the nine months period ended 30 September 2021" and " – Notes to the Pro forma Financial Information for the financial period 31 December 2020" below. Further, the Company cannot be sure that the assumptions used in the Pro Forma Financial Information will prove to be correct. The unaudited Pro Forma Financial Information does not include all the financial statement information prepared in accordance with Financial Accounting Standards, and therefore it should be read together with the historical financial information incorporated in this Offering Circular by reference.

The Pro Forma Financial Information is derived from the following financial information prepared under FAS and incorporated in this Offering Circular by reference:

- the audited consolidated financial statements for the financial period ended 31 December 2020; and
- the unaudited consolidated financial information for the nine months period ended 30 September 2021.

The unaudited Pro Forma Financial Information has been prepared in accordance with the Annex 20 of the Commission Delegated Regulation (EU) 2019/980 and the accounting principles applied by Company to its audited consolidated financial statements for the financial period ended 31 December 2020.

All figures in the Pro Forma Financial Information are presented in thousands of euros, unless otherwise indicated, and figures are rounded. Therefore, in certain cases, the sum of figures may not correspond exactly to the total amount presented in that column or row.

An independent auditor's report on Administer's unaudited Pro Forma Financial Information is presented in Annex B to this Offering Circular.

#### *Acquisition of Tilikamut Oy and its group company Konnektor Oy*

The Pro Forma Financial Information does not take into account the Group's business acquisition completed on 1 October 2021 relating to the acquisition the shares of Tilikamut Oy and its subsidiary Konnektor Oy, a subsidiary belonging to the same group. This business acquisition has a minor effect on the Group's Pro Forma Financial Information. In accordance with the general accounting principles applied to Pro Forma Financial Information, the acquisition of Tilikamut Oy does not account for more than 25 percent of the Group's pro forma information on net sales, profit or loss for the period or total assets, and the transaction was not completed during the review period from 1 January 2021 to 30 September 2021

presented in this Offering Circular. Due to the factors described above, the transaction is not included in the Pro Forma Financial Information. In addition, the financial periods of the acquired entity differ from the Group's financial periods, as a result of which the use of these figures as a basis for the Pro Forma Financial Information would require a significant amount of judgement and would not necessarily give a correct and sufficient view to a material extent.

### Unaudited Pro Forma Income Statement for the Nine Months Ended 30 September 2021

#### Consolidated unaudited Pro Forma Income Statement for the nine months ended 30 September 2021

INCOME STATEMENT	Reported 1 Jan-30 Sep 2021 (consoli- dated)	Acquisition of EmCe Solution Partner, Note 1:	Amortization of consolidated goodwill from the Acquisition of EmCe Solution Partner, Note 2:	Alignment of EmCe Yritysjär- jestelmät Oy's accounting prin- ciples applied to development ex- penses, Note 3:	Pro forma, total
(TEUR)	(unaudited)				
<b>NET SALES</b>	<b>29,981</b>	<b>4,609</b>	<b>0</b>	<b>0</b>	<b>34,590</b>
Other operating income	104	0	0	0	104
Materials and services					
Purchases	-3,327	-1,266	0	0	-4,593
External services	-438	-121	0	0	-559
Total	-3,765	-1,387	0	0	-5,152
Personnel expenses					
Wages and salaries	-17,250	-2,275	0	521	-19,005
Social security costs					
Pension costs	-2,893	-399	0	92	-3,200
Other expenses related to personnel	-579	-92	0	21	-650
Total	-20,723	-2,766	0	634	-22,855
Depreciation, amortization and impairment					
Depreciation according to plan	-1,484	0	-603	-118	-2,206
Total	-1,484	0	-603	-118	-2,206
Other operating expenses	-4,284	-642	0	65	-4,860
Share of results of affiliates	39	0	0	0	39
<b>OPERATING PROFIT (LOSS)</b>	<b>-133</b>	<b>-185</b>	<b>-603</b>	<b>581</b>	<b>-340</b>
Financial income and expenses					
Other interest and financial income	10	0	0	0	10
Interest and other financial expenses	-200	0	0	0	-200
Total	-190	0	0	0	-190
<b>PROFIT BEFORE APPROPRIA- TIONS AND TAX</b>	<b>-322</b>	<b>-185</b>	<b>-603</b>	<b>581</b>	<b>-530</b>
Income tax	-125	20	0	-116	-221
Minority interest	-15	0	0	0	-15
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-462</b>	<b>-165</b>	<b>-603</b>	<b>464</b>	<b>-766</b>

Notes to the Pro Forma Financial Information are presented below.

## **Notes to the Pro Forma Financial Information for the Nine Months Ended 30 September 2021**

The following adjustments have been made to the unaudited Pro Forma Financial Information, which are presented in the column "pro forma adjustments" of the tables.

### ***Note 1 – Acquisition of Emce Solution Partner Group***

The acquisition of Emce Solution Partner Oy is presented in the Pro Forma Financial Information in accordance with the accounting principles under the Finnish Accounting Act. The relevant column of the table shows the unaudited income statement information of Emce Solution Partner Group for the period from 1 January 2021 to 31 July 2021 as if the company had been in the Group in the period from 1 January 2021 to 30 September 2021. Emce Solution Partner Group is officially consolidated in the Group's income statement as of its acquisition date 1 August 2021. Internal transactions of EUR 17 thousand concerning service purchases and sales between the Group and Emce Solution Partner Oy have been eliminated from the Pro Forma Financial Information. The income tax of Emce Solution Partner Groups has been calculated using the Finnish corporate income tax rate of 20 percent between January 1 and 30 September 2021. The income taxes are presented divided between the columns of note 1 and note 3.

### ***Note 2 – Consolidated goodwill from the acquisition of Emce Solution Partner Group***

The acquisition of Emce Solution Partner Oy is presented in the Pro Forma Financial Information using a calculation method in accordance with the Finnish Accounting Act recognising the difference between the acquisition cost and the carrying value of the acquired assets and liabilities as consolidated goodwill. Consolidated goodwill recognised in the acquisition of Emce Solution Partner Oy amounted to a total of EUR 10,344 thousand. The Pro Forma Financial Information includes amortization of consolidated goodwill shown in the balance sheet described above amounting to EUR -603 thousand for the period from 1 January 2021 to 31 July 2021. The amortization principle applied is based on the Group's amortization period of 10 years by calculating the amortization for nine months from the amount of annual amortization. The adjustment will have a continuous effect on the Group's results of operations in accordance with the applied amortization period.

### ***Note 3 – Alignment of the accounting principles applied by Emce Yritysjärjestelmät Oy to development expenses***

In the case of Emce Yritysjärjestelmät Oy, a subsidiary of Emce Solution Partner Group, the accounting principles applied to the development expenses were adjusted to align them with the Group. The relevant column shows a pro forma adjustment to Emce Yritysjärjestelmät Oy's personnel expenses classified as development work and certain purchases related to development activities by Emce Yritysjärjestelmät Oy to align them with the Group's accounting principles. As a result of this, expenses of EUR 699 thousand recognised as development activities for the period from 1 January 2021 to 30 September 2021, have been recognised as an adjustment to the expenses to reflect development expenses capitalised in accordance with the Group's accounting principles. In accordance with the Group's accounting principles, amortization of EUR -118 thousand of capitalised development expenditures was recognised in the above Pro Forma Income Statement pro rata the nine-month period. The deferred tax impact of the adjustments described above on the pro forma income statement is EUR -116 thousand using the Finnish corporate income tax rate of 20 percent. The adjustment will have a continuous effect on the Group's results of operation.

## Unaudited Consolidated Pro Forma Income Statement for the Financial Period Ended 31 December 2020

### Administer Group's Pro Forma Income Statement for the year ended 31 December 2020

<b>INCOME STATEMENT</b>	Reported 1 Jan-31 Dec 2020 (consolidated)	Acquisition of EmCe Solution Partner, Note 1:	Amortization of consolidated goodwill from the Acquisition of EmCe Solution Partner, Note 2:	Alignment of EmCe Yritysjär- jestelmä Oy's accounting prin- ciples applied to development ex- penses, Note 3:	Pro forma, total
<b>(TEUR)</b>	<b>(unaudited)</b>				
<b>NET SALES</b>	<b>43,678</b>	<b>7,766</b>	<b>0</b>	<b>0</b>	<b>51,445</b>
Other operating income	115	0	0	0	115
Materials and services					
Purchases	-4,176	-2,095	0	0	-6,271
External services	-1,233	-159	0	0	-1,392
Total	-5,409	-2,254	0	0	-7,663
Personnel expenses					
Salaries and wages	-23,632	-3,684	0	639	-26,676
Social security costs					
Pension costs	-3,548	-574	0	103	-4,020
Other expenses related to personnel	-744	-85	0	18	-811
Total	-27,924	-4,343	0	760	-31,507
Depreciation, amortization and impairment					
Depreciation and amortizations according to plan	-1,559	0	-1,034	-42	-2,635
Total	-1,559	0	-1,034	-42	-2,635
Other operating expenses	-6,139	-1,297	0	35	-7,401
Share of results of affiliates	127	0	0	0	127
<b>OPERATING PROFIT (LOSS)</b>	<b>2,890</b>	<b>-128</b>	<b>-1,034</b>	<b>753</b>	<b>2,480</b>
Financial income and expenses					
Other interest and financial income	14	93	0	0	107
Interest and other financial expenses	-291	0	0	0	-291
Total	-278	93	0	0	-184
<b>PROFIT BEFORE APPROPRIATIONS AND TAX</b>	<b>2,612</b>	<b>-35</b>	<b>-1,034</b>	<b>753</b>	<b>2,295</b>
Income tax	-634	-14	0	-151	-799
Minority interest	-23	0	0	0	-23
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>1,955</b>	<b>-49</b>	<b>-1,034</b>	<b>602</b>	<b>1,474</b>

Notes to the Pro Forma Financial Information are presented below.

### Notes to the Pro forma Financial Information for the Financial Period Ended 31 December 2020

The following adjustments have been made to the unaudited Pro Forma Financial Information, which are presented in the column "pro forma adjustments" of the tables.

**Note 1 – Acquisition of Emce Solution Partner Group**

The acquisition of Emce Solution Partner Oy is presented in the Pro Forma Financial Information in accordance with the accounting principles under the Finnish Accounting Act. The relevant column of the table shows the unaudited income statement information of Emce Solution Partner Group for the period from 1 January 2020 to 31 December 2020 as if the company had been in the Group as of 1 January 2020. Emce Solution Partner Group is officially consolidated in the Group's income statement as of its acquisition date 1 August 2021. Internal transactions of EUR 32 thousand concerning service purchases and sales between the Group and Emce Solution Partner Oy have been eliminated from this Pro Forma Financial Information.

**Note 2 – Consolidated goodwill from the acquisition of Emce Solution Partner Group**

The acquisition of Emce Solution Partner Oy is presented in the Pro Forma Financial Information using a calculation method in accordance the Finnish Accounting Act recognising the difference between the acquisition cost and the carrying value of the acquired assets and liabilities as consolidated goodwill. Consolidated goodwill recognised in the acquisition of Emce Solution Partner Oy amounted to a total of EUR 10,344 thousand. The Pro Forma Financial Information includes amortization of consolidated goodwill shown in the balance sheet described above amounting to EUR -1,034 thousand. The amortization principle applied is based on the Group's amortization period of 10 years by calculating the amortization for 9 months from the amount of annual amortization. The adjustment will have a continuous effect on the Group's results of operations in accordance with the applied amortization period.

**Note 3 – Alignment of the accounting principles applied by Emce Yritysjärjestelmät Oy to development expenses**

In the case of Emce Yritysjärjestelmät Oy, a subsidiary of Emce Solution Partner Group, the accounting principles applied to the development expenses were adjusted to align them with the Group. The relevant column shows a pro forma adjustment to Emce Yritysjärjestelmät Oy's personnel expenses classified as development work and certain purchases related to development activities by Emce Yritysjärjestelmät Oy to align them with the Group's accounting principles. As a result of this, expenses of EUR 794 thousand recognised as development activities for the period from 1 January 2020 to 31 December 2020, have been recognised as an adjustment to the expenses to reflect development expenses capitalised in accordance with the Group's accounting principles. In accordance with the Group's accounting principles, amortization of EUR -42 thousand of capitalised development expenditures was recognised in the above Pro Forma Income Statement pro rata the nine-month period. Calculated using the Finnish corporate income tax rate of 20 percent, the tax effect of the adjustments described above on the pro forma income statement is EUR -150 thousand. The adjustments resulting from the alignment of the accounting principles will have a continuing effect on the Group's results of operations.

**Note 4 - Key Figures Calculated on the Basis of the Pro Forma Financial Information**

*Administer Group's Pro Forma Key Figures*

The key figures presented in the table have been calculated on the basis of information derived from the Pro Forma Income Statements.

(TEUR)	1-09/2021 Pro Forma	1-12/2020 Pro Forma
	(Unaudited)	
Net sales.....	34,590	51,445
EBITDA.....	1,866	5,115
EBITDA, %.....	5.4 %	9.9 %
Operating profit adjusted by amortization of goodwill.....	1,185	4,475
Operating profit adjusted by amortization of goodwill, %.....	3.4 %	8.7 %
Operating profit (loss) .....	-340	2,480
Operating profit (loss), %.....	-1.0 %	4.8 %
Profit/loss for the period.....	-766	1,474
Profit adjusted by amortization of goodwill.....	759	3,469
Profit adjusted by amortization of goodwill, %.....	2.2 %	6.7 %

*Definition and calculation of certain pro forma key figures*

EBITDA	Operating profit + depreciation, amortization and impairment		Describes profitability of the operations without the effect of depreciation, amortization and impairment.
EBITDA, %	$\frac{\text{Operating profit (loss)}}{\text{Net sales}}$	x100	Describes the ratio of EBITDA to net sales.
Operating profit adjusted by 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 by amortization of goodwill, %	$\frac{\text{Operating profit adjusted by amortization of goodwill}}{\text{Net sales}}$	x100	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 business.
Operating profit (loss) %	$\frac{\text{Operating profit (loss)}}{\text{Net sales}}$	x100	Describes the share of operating profit in net sales.
Profit adjusted by amortization of goodwill	Operating profit (loss) + amortization of goodwill		Describes the operating profit excluding the impact of amortization of goodwill.
Profit adjusted by amortization of goodwill %	$\frac{\text{Profit adjusted by amortization of goodwill}}{\text{Net sales}}$	x100	Describes the share of operating profit in net sales excluding the impact of. amortization of goodwill.

Reconciliation of certain pro forma key figures

(TEUR)	1-9/2021 Pro Forma	1-12/2020 Pro Forma
<b>EBITDA</b>		
Operating profit /loss).....	-340	2,480
Depreciation, amortization and impairment.....	2,206	2,635
<b>Total .....</b>	<b>1,866</b>	<b>5,115</b>
<b>EBITDA, %</b>		
EBITDA.....	1,866	5,115
Net sales.....	34,590	51,445
<b>Total .....</b>	<b>5.4 %</b>	<b>9.9 %</b>
<b>Operating profit adjusted by amortization of goodwill</b>		
Operating profit (loss).....	-340	2,480
Amortization of goodwill .....	1,525	1,995
<b>Total .....</b>	<b>1,185</b>	<b>4,475</b>
<b>Operating profit adjusted by amortization of goodwill %</b>		
Operating profit adjusted by amortization of goodwill	1,185	4,475
Net sales.....	34,590	51,445
<b>Total .....</b>	<b>3.4 %</b>	<b>8.7 %</b>
<b>Operating profit (loss)</b>		
Net sales.....	34,590	51,445
Other operating income.....	104	115
Share of the profit of affiliated companies.....	39	127
Materials and services.....	-5,152	-7,663
Personnel expenses.....	-22,855	-31,507
Other operating expenses .....	-4,860	-7,401
Depreciation, amortization and impairment.....	-2,206	-2,635
<b>Total .....</b>	<b>-340</b>	<b>2,480</b>
<b>Operating profit (loss), %</b>		
Operating profit (loss).....	-340	2,480
Net sales.....	34,590	51,445
<b>Total .....</b>	<b>-1.0 %</b>	<b>4.8 %</b>
<b>Profit adjusted by amortization of goodwill</b>		
Profit (loss) for the financial period.....	-766	1,474
Amortization of goodwill.....	1,525	1,995
<b>Total .....</b>	<b>759</b>	<b>3,469</b>
<b>Profit adjusted by amortization of goodwill, %</b>		
Profit adjusted by amortization of goodwill.....	759	3,469
Net sales.....	34,590	51,445
<b>Total .....</b>	<b>2.2 %</b>	<b>6.7 %</b>



## OPERATING AND FINANCIAL REVIEW AND FUTURE PROSPECTS

*The following discussion of Administer's operating results, financial position and future prospects should be read together with the section "Selected Financial Information" in this Offering Circular as well as the consolidated financial statements for the financial periods ended 31 December 2020, 31 December 2019 and 31 December 2018, as well as the financial information for the nine months period ended 30 September 2021 incorporated in this Offering Circular by reference. For more information of the accounting principles applied for the preparation of the consolidated financial statements, see "Certain Matters – Information Related to the Financial Statements and Other Information".*

*The information presented below is based on the audited consolidated financial statements for the financial periods ended on 31 December 2020, 31 December 2019 and 31 December 2018, as well as the Company's unaudited financial information for the nine months period ended 30 September 2021, including comparative figures for the nine months period ended 30 September 2020.*

*The following discussion includes forward-looking statements that involve inherent risks and uncertainties. Administer's actual results of operations may differ materially from those contained in such forward-looking statements as a result of several factors discussed below and elsewhere in this Offering Circular, particularly in the sections "Risk Factors" and "Certain Matters – Forward-looking statements".*

### Overview

Administer conducts business related to services for financial and human resource administration. According to Administer's management Administer improves the efficiency of the administration and management of its customers with paperless real-time information, providing cost savings, better data and professional services to support the decision-making of the customers. In the view of Administer's management, the Group is also a forerunner in the development of software and mobile solutions for financial management and payroll administration, for example as Administer's eFina-software was introduced already in 2000. As on the date of this Offering Circular, Administer has 21 offices in Finland as well as an office both in Tallinn and Stockholm. Administer's diverse customer base consists of large listed companies as well as small companies employing one person.

Administer's net sales for the nine months period ended 30 September 2021 amounted to EUR 30.0 million compared to EUR 32.5 million for the nine months period ended 30 September 2020. Administer's operating loss for the nine months period ended 30 September 2021 amounted to EUR -0.1 million compared to an operating profit of EUR 1.7 million net sales for the nine months period ended on 30 September 2020. Administer's net sales for the financial period ended 31 December 2020 amounted to EUR 43.7 million compared to EUR 45.3 million for the financial period ended 31 December 2019, and operating profit for the financial period ended 31 December 2020 amounted to EUR 2.9 million compared to EUR 0.9 million for the financial period ended 31 December 2019. Administer's net sales amounted to EUR 37.0 million and operating profit EUR 0.5 million for the financial period ended on 31 December 2018.

As on 30 November 2021, the Company had 99 employees, and the Group had a total of 590 employees.

### Key Factors Affecting the Results of Operations

Administer's results of operations have been affected, and are expected to continue to be affected, by several factors that are either internal or external by their nature. Certain key factors which have affected or may affect results of Administer's operations, are described below.

#### *Internal Factors*

##### *Administer's Geographical Expansion*

As a part of its strategy, Administer aims to expand to new market areas (for more information on Administer's strategy, see "*Administer's Business – Strategy*"). While Administer's business is, in practice, independent of location, in the view of Administer's management, the customers of Administer also expect a local presence, which is why Administer aims to expand primarily to new locations in Finland as a part of its strategy. Administer also has offices in Stockholm, Sweden and in Tallinn, Estonia. It is not excluded that Administer could also seek to expand into new target markets in Europe in the future. Administer's expansion to new market areas in Finland and Europe will have an impact on Administer's sales and thus Administer's results.

##### *Administer's Growth Orientation*

As a part of its strategy Administer seeks both organic and inorganic growth through business acquisitions. Organic growth requires investments and resources from Administer particularly in sales and Administer must succeed in recruiting and committing its sales personnel. The increase in net sales achieved through new customer acquisition occurs with

a delay compared to the increase in costs, such as personnel expenses, resulting from new customer acquisition, which has an effect on Administer's results.

Inorganic growth on the other hand requires from Administer both financial and personnel resources investments. Business acquisitions bind, in particular, the time and resources of the members of Administer's management, and in addition to this, Administer may engage external legal and financial advisors in business acquisition projects, particularly in larger business acquisitions. Also, in the case of business acquisitions, the increase in the sales may take place with a delay as compared to the expenses related to the business acquisition, which may have an impact on Administer's results.

#### *Administer's Capability to Recruit and Engage Members of the Management and Key Employees*

In the view of Administer's management, Administer is an expert organisation, and its success depends, to a large extent, on the knowhow, development of competencies, recognition and motivation of its management and key employees, as well as on Administer's ability to recruit and engage its management and key employees.

Competition in Administer's fields of business is intense and thus also recruitment and engagement of competent employees challenging and requires efforts from Administer. Should Administer's key individuals seek employment with a competitor of Administer, this would have an impact on Administer's competitive position. On the other hand, if Administer succeeds in recruiting competent personnel from its competitors, this could strengthen Administer's competitive position in relation to its competitors. Administer's personnel interact closely with Administer's customers, and it is possible that if an expert of Administer joins a competitor, customers who value the expert's services might take their business to the competitor whom the expert has joined. Correspondingly, however, the customers' satisfaction with the experts employed by Administer binds the customer to Administer. Therefore, Administer's capability to engage competent personnel also has an effect on Administer's customers and their commitment to Administer, and through this, also on Administer's results.

Administer aims to recruit not only more experienced personnel but also individuals in the early stages of their career, whose development Administer strives to influence internally. Due to this, Administer cooperates with, among others, several educational institutions and aims to train graduates in-house with the support and assistance of its more experienced personnel. In addition to the development of graduates, Administer aims to invest in the development and strengthening of the competencies of its more experienced personnel, which requires Administer to invest time and financial resources.

Recruiting and engaging competent personnel requires Administer to invest time and financial resources, which may have an impact on Administer's results. Should Administer lose members of its management or key employees to, for example, a competitor, this may weaken Administer's competitive position and thus have an effect on Administer's business and results.

#### *Effect of Administer's Principles for Revenue Recognition on the Results*

Usually, Administer invoices its customers in a monthly basis for the invoices approved for the relevant month, but the work completed during the financial reporting month is always allocated more accurately to the last month of the financial period. Due to this, during the last month of the financial period, Administer accrues sales which would normally be invoiced in the following month. Due to this accrual principle for the financial statements, net sales are larger than usual in December, and correspondingly, smaller than usual in January. While these accruals have an effect on the distribution of Administer's results for each half-year period, they do not have an effect on the results for the full year.

### **External Factors**

#### *General Macroeconomic Development*

Many general economic factors which are beyond Administer's direct control, have an impact on Administer's business and operating result. These factors include, for example, changes in monetary policies and financial markets, global pandemics and unfavorable and regionally divergent economic development. Each of these factors can affect Administer's operation result. As Administer's business is concentrated particularly in the Finnish market, the economic development of Finland, has a particular impact on Administer's business.

General macroeconomic development in Finland has an effect on the financial development of Administer's customer companies and their financial activity and number of personnel, which has an effect on the number of assignments received by Administer from its customers, and consequently, the results of Administer. In particular, macroeconomic development has an effect on the activity of the customers, impacting Administer's services for financial management, HR and payroll administration, and consequently, Administer's results.

### *Digitalisation of Administer's Industry*

Traditionally, Administer's field of business has been perceived as a rigid industry lacking innovation, which, in the view of Administer's management, has experienced slower technological development than many other industries. However, Administer's field of business has recently evolved towards a more digitalised and automated industry<sup>30</sup>. In the view of Administer's management, Administer has been a forerunner in terms of digitalisation and implementation of artificial intelligence, of which Administer's eFina software launched in 2020 provides a good example. Further, Administer has already been using artificial intelligence in its operations to automate its services for several years. In order to keep up with the competition, Administer intends to continue to invest in digitalisation and use of artificial intelligence in the future, which may have an effect on Administer's results.

### *Intense Competition in Administer's Industry*

Industries which Administer is engaged to are competitive, and the competitive situation has recently tightened further due to digitalisation and consolidation, among other things. Significant recent digitalisation of services has created challenges particularly to Administer's smaller competitors, as Administer's larger competitors, in particular, are continuously developing their services based on digitalisation and thus aim to increase their market share. Therefore, Administer's result is affected by its ability to follow the development of the industry and develop both its existing services and new products and services. In addition, the competitive landscape in Administer's industry has been impacted by consolidation, in which Administer's large competitors, in particular, have aimed to increase their market share by acquiring smaller players in the industry. As a part of its strategy, Administer also aims for inorganic growth through business acquisitions. More intense competition also has an effect on Administer's ability to grow organically, as the competitive situation and the aim of larger players to achieve inorganic growth has an impact on, for example, the availability of potential acquisition targets to Administer for a reasonable price or at all. In addition, the competitive situation has an impact on the availability and commitment of the customers, and it has resulted in, and may continue to result in, decreased prices. As such, the competitive situation has a direct effect on Administer's results of operations and financial position, if more intense competition results in higher expenses for Administer and lowers the prices of its services.

### *Seasonality of Administer's Business*

Traditionally, seasonality has only had a minor effect on Administer's payroll administration services, as salaries and wages are usually paid evenly throughout the year, depending on the customer sectors to a certain extent. However, seasonality has a more significant effect on Administer's financial management services as typically the accounting and tax reporting period of customer companies increases Administer's workload and invoicing in the spring. Due to this, Administer's net sales are often lower in the autumn as compared to the spring. Despite the partial seasonality of the financial administration services Administer aims to keep the number of its professional employees on a constant level throughout the year, and due to this, Administer's personnel expenses are stable throughout the year despite the high volume of business in the spring period, which may, in turn, have an effect on Administer's results of operations.

### **Factors Affecting the Comparability of Administer's Results of Operations**

On 15 August 2021, the Company completed the acquisition of the share capital of Emce Solution Partner Oy. Emce Solution Partner Oy owns the entire share capital of EmCe Enterprise Solutions Oy and EmCe Yritysjärjestelmät Oy. Administer acquired the shares through an exchange of shares, in which the shareholders of Emce Solution Partner Oy transferred their shares of Emce Solution Partner Oy to the Company against shares in the Company. With the acquisition of EmCe, Administer gained ownership of a financial management and ERP software, which will have a significant impact particularly on the software services provided by Administer. The figures of the business operations transferred as a result of the acquisition of EmCe have been consolidated into the Group's figures as of 1 August 2021.

### **Recent Events**

On 4 November 2021, the Company's Extraordinary General Meeting resolved to authorise the Company's Board of Directors to decide upon a share issue for executing the Offering. Based on the authorisation, a maximum of 3,000,000 New Shares can be issued.

On 4 November 2021 the Company's Extraordinary General Meeting resolved on incorporating the Company's shares in the book-entry system, authorised the Board of Directors to decide upon the timing of accession to the book-entry system and amending the Articles of Association and changing the Company's legal form, increasing the share capital, splitting

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<sup>30</sup> Source: Eurostat-statistics on digitalisation of financial administration in companies; Cloud computing services.

Used as a definition "Buy finance or accounting software applications (as a CC service)".

([https://ec.europa.eu/eurostat/databrowser/view/isoc\\_cicce\\_use/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/isoc_cicce_use/default/table?lang=en)) Tilastossa yritykset, jotka ostavat taloushallinto-ohjelmistoapplikaatiota pois lukien rahoituslaitokset ja alle 10 työntekijän yritykset.

of the shares, electing the members of the Board of Directors and their remuneration and issuing a maximum of 500,000 shares for financing or implementing, for example, business acquisitions, investments or other arrangements related to the Company's business.

In addition to the events described above, no significant changes have occurred in Administer's financial results and financial position between 30 September 2021 and the date of this Offering Circular.

## **Future Outlook**

*This section "Outlook" includes forward-looking statements. Forward-looking statements are not guarantee of future financial developments and Administer's market value, financial performance or actual results could differ materially from the results described in or implied by forward-looking statements contained herein due to various factors, some of which are described in "Certain Matters – Forward-looking Statements" and "Risk Factors". Administer cautions possible investors not to place undue reliance on these forward-looking statements, which are valid only as on the date of this Offering Circular. The following review has been prepared on a basis of which is (a) comparable with Administer's historical financial information, and (b) consistent with the accounting principles applied in Administer's financial statements.*

### ***Profit Forecast***

Administer estimates that its net sales and result for the financial period ending 31 December 2021 will be lower than for the financial period ended 31 December 2020.

### ***Basis for the Profit Forecast***

Administer's profit forecast for 2021 is based on Administer's results of operations for the nine months period ended 30 September 2021, information reported by the management to the Board of Directors by the date of this Offering Circular and forecasts and estimates made by Administer in good faith of its expected results for 2021.

The profit forecast has been prepared in accordance with the accounting principles of the Company's financial statements, which correspond in all material respects to the Company's consolidated financial statements for the financial period ended 31 December 2020 included in this Offering Circular. The profit forecast has been prepared on the basis of several assumptions and estimates, which involve numerous and significant uncertainties. In the assumptions of the profit forecast, special attention has been paid particularly on the development of sales and customer transactions, which Administer considers to have a potential material impact on the outcome of the forecast, both in net sales and profit due to profitability's sensitivity in connection with net sales. In addition to these assumptions and estimates, the actual results of Administer's operations may also differ significantly due to other factors, including but not limited to the factors described in section "Risk Factors". Many of these factors are beyond the management's control. While Administer's management may affect the operating profit through business decisions, it cannot affect, for example, economic development, market developments or the competitive situation.

The profit forecast takes into account that the profitability for 2021 is impacted by investments based on the growth strategy particularly in the development of technology and the sales organisation and the strengthening of the Group's administration, as well as the non-recurring expenses related to the executed business acquisition and integration expenses. The profit forecast also takes into account that the decrease in the volume of the customers' transactions due to the Covid-19 pandemic and the loss of net sales due to the upgrade of the NetSuite system implemented by Adner will have a negative effect on the net sales and results in 2021.

### ***The Company's objectives for the year 2022***

Administer seeks to continue the growth investments, as well as organic and inorganic growth in 2022. The Company aims to make 5–10 acquisitions over the course of 2022. The Company's financial objectives for 2022 are:

- Reach minimum net sales of EUR 51 million; and
- reach minimum EBITDA margin of 8 percent.

## **Operating Result**

The review below describes Administer's operating result for the nine months period ended 30 September 2021 and 30 September 2020, as well as for the financial periods ended on 31 December 2020, 31 December 2019 and 31 December 2018. The comparison of Administer's results is based on the Company's audited consolidated financial statements for

the financial periods ended 31 December 2020, 31 December 2019 ja 31 December 2018, as well as the Company's unaudited financial information for the nine months period ended 30 September 2021 and 30 September 2020.

(MEUR)	January 1 - September 30		January 1 - December 31		
	2021	2020	2020	2019	2018
	(Unaudited)		(Audited)		
Net sales .....	30.0	32.5	43.7	45.3	37.0
Operating profit (loss) .....	-0.1	1.7	2.9	0.9	0.5
Profit (loss) for the period .....	-0.5	1.0	2.0	0.4	-0.0

### Net Sales

*Nine months period ended 30 September 2021 compared to nine months period ended 30 September 2020*

Administer's net sales for the nine months period ended 30 September 2021 amounted to EUR 30.0 million, representing a decrease of EUR 2.5 million compared to EUR 32.5 million for the nine months period ended on 30 September 2020. The decrease in the net sales was mainly due to the general economic slowdown resulting from the Covid-19 pandemic and thus the lower financial activity of Administer's customers. Administer's invoicing and, consequently, net sales are strongly based on the numbers of transaction and salary payments of its customer companies. Due to the restrictions related to the Covid-19 pandemic, the business of several companies, particularly in the service industries, has been limited or even ceased entirely. The Company has not been able to compensate for the decrease in the net sales by acquiring new customers. In addition, the loss of Adner's few larger customers due to a technology reaching the end of its life cycle had an impact on net sales. Since then, Adner has changed the provider of a third-party ERP system.

*Financial period ended 31 December 2020 compared to financial period ended 31 December 2019*

Administer's net sales for the financial period ended 31 December 2020 amounted to EUR 43.7 million, representing a decrease of EUR 1.6 million compared to EUR 45.3 million for the financial period ended 31 December 2019. The decrease in the net sales was mainly due to the decrease in the customers' business activities due to the Covid-19. Other operating income increased due to the development subsidy of EUR 75.5 thousand granted by Business Finland to Adner Oy. The increase in the net sales was limited by the increase in the financial difficulties of the Company's customers during the Covid-19 pandemic.

*Financial period ended 31 December 2019 compared to financial period ended 31 December 2018*

Administer's net sales for the financial period ended 31 December 2020 amounted to EUR 45.3 million, representing an increase of EUR 8.3 million compared to EUR 37.0 million for the financial period ended 31 December 2018. The increase in the net sales was mainly due to, in addition to the higher organic sales, the acquisition of Toimisto-Areena Ky's business in January 2019 and the acquisition of Oy Interexus Ab's business in June 2019. Furthermore, Silta Oy's net sales were entirely included in the net sales for 2019.

### Operating Profit (Loss)

*Nine months period ended 30 September 2021 compared to nine months period ended 30 September 2020*

Administer's operating loss for the nine months period ended 30 September 2021 amounted to EUR -0.1 million, representing a decrease of EUR 1.8 million compared to the operating profit of EUR 1.7 million for the nine months period ended 30 September 2020. The operating loss mainly resulted from investments based on the growth strategy particularly in technical development, strengthening of the sales organisation and Group management and expenses related to the integrations implemented due to the business acquisitions. In addition, Administer did not decrease the amount of its personnel, even though the business of its customers was declined due to the Covid-19.

*Financial period ended 31 December 2020 compared to financial period ended 31 December 2019*

Administer's operating profit for the financial period ended 31 December 2020 amounted to EUR 2.9 million, representing an increase of EUR 2.0 million compared to EUR 0.9 million for the financial period ended 31 December 2019. The growth in operating profit mainly resulted from efficiency improvements in the operations through artificial intelligence and the deployment of a new ERP system for the production of financial management services. The number of personnel decreased during the financial period mainly due to the improved efficiency of the operations.

### *Financial period ended 31 December 2019 compared to financial period ended 31 December 2018*

Administer's operating profit for the financial period ended 31 December 2019 amounted to EUR 0.9 million, representing an increase of EUR 0.4 million compared to EUR 0.5 million for the financial period ended 31 December 2018. The increase in the operating profit was mainly due to cost advantages gained from the transfer of Adner's data center and changing the application development partner. Use of artificial intelligence increased significantly, automating a significant part of the process of recording purchase invoices.

A significant proportion of the net sales was used in product development. During the financial period, the Company made significant efforts to develop Administer Oy's digital financial management system eFina, payroll software and the smart phone applications eFina Mobiili and Silta Mobile - Simo. Personnel expenses increased in financial period ended 31 December 2019 due to the higher number of personnel in all Group companies.

### ***Profit (Loss) for the Financial Period***

#### *Nine months period ended 30 September 2021 compared to nine months period ended 30 September 2020*

Administer's profit (loss) for the nine months period ended 30 September 2021 amounted to -0.5 million, representing a decrease of EUR 1.5 million compared to the profit of EUR 1.0 million for the nine months period ended 30 September 2020.

#### *Financial period ended 31 December 2020 compared to financial period ended 31 December 2019*

Administer's profit (loss) for the financial period ended 31 December 2020 amounted to EUR 2.0 million, representing an increase of EUR 1.6 million compared to EUR 0.4 million for the financial period ended 31 December 2019.

#### *Financial period ended 31 December 2019 compared to financial period ended 31 December 2018*

Administer's profit (loss) for the financial period ended 31 December 2019 amounted to EUR 0.4 million, representing an increase of EUR 0.4 million compared to EUR -0.0 million for the financial period ended 31 December 2018.

## **Financial Position**

### ***Balance Sheet Information; Assets***

(MEUR)	1 Jan – 30 Sep		1 Jan – 31 Dec		
	2021	2020	2020	2019	2018
	<b>(Unaudited)</b>		<b>(Audited)</b>		
Non-current assets, total .....	27.2	17.4	17.3	17.3	15.8
Current assets, total .....	7.7	7.5	7.4	8.4	9.5
<b>Total assets .....</b>	<b>34.9</b>	<b>24.9</b>	<b>24.7</b>	<b>25.7</b>	<b>25.3</b>

### *Non-current Assets*

Administer's non-current assets as on 30 September 2021 amounted to EUR 27.2 million compared to EUR 17.4 million as on 30 September 2020. Administer's non-current assets amounted to EUR 17.3 million as on 31 December 2020, EUR 17.3 million as on 31 December 2019 and EUR 15.8 million as on 31 December 2018.

For the nine months period ended 30 September 2021, Administer's non-current assets increased significantly compared to the nine months period ended 30 September 2020, as Administer's development expenditures increased by EUR 0.7 million and the consolidated goodwill increased by EUR 9.3 million. The changes resulted from acquisitions carried out by Administer in the nine months period ended 30 September 2021.

Administer's non-current assets mainly comprise intangible assets, such as intangible rights, development expenditures, consolidated goodwill, goodwill and other capitalised long-term expenditure. In addition, Administer's non-current assets include tangible assets, such as land and water areas, buildings and structures and other tangible assets and investments, such as shareholdings in affiliated companies and other shares and interests.

### Current Assets

Administer's current assets as on 30 September 2021 amounted to EUR 7.7 million compared to EUR 7.5 million as on 30 September 2020. Administer's current assets amounted to EUR 7.4 million as on 31 December 2020, EUR 8.4 million as on 31 December 2019 and EUR 9.5 million as on 31 December 2018.

Administer's current assets comprise non-current and current receivables, such as trade receivables, loan receivables, prepayments and accrued income and other accruals, as well as cash and cash equivalents.

### Balance Sheet Information; Liabilities

(MEUR)	1 Jan – 30 Sep		1 Jan – 31 Dec		
	2021	2020	2020	2019	2018
	(Unaudited)		(Audited)		
<b>Total equity</b> .....	<b>19.3</b>	<b>8.7</b>	<b>9.5</b>	<b>7.5</b>	<b>6.7</b>
Minority interest	0.0	0.0	0.0	0.0	0.1
Appropriations	0.2	0.1	0.2	0.1	0.0
Liabilities .....					
Non-current.....	3.3	4.7	4.2	6.2	8.2
Current.....	12.1	11.4	10.8	11.9	10.3
<b>Total liabilities</b> .....	<b>15.4</b>	<b>16.1</b>	<b>15.0</b>	<b>18.1</b>	<b>18.5</b>
<b>Total equity and liabilities</b> .....	<b>34.9</b>	<b>24.9</b>	<b>24.7</b>	<b>25.7</b>	<b>25.3</b>

### Equity

Administer's equity as on 30 September 2021 amounted to EUR 19.3 million compared to EUR 8.7 million as on 30 September 2020. Administer's equity amounted to EUR 9.5 million as on 31 December 2020, EUR 7.5 million as on 31 December 2019 and EUR 6.7 million as on 31 December 2018.

Administer's equity includes share capital of EUR 2,552.82, other reserves and retained earnings (losses).

### Liabilities

Administer's liabilities as on 30 September 2021 amounted to EUR 15.4 million compared to EUR 16.1 million as on 30 September 2020. Administer's liabilities amounted to EUR 15.0 million as on 31 December 2020, EUR 18.1 million as on 31 December 2019 and EUR 18.5 million as on 31 December 2018.

Administer's non-current liabilities as on 30 September 2021 amounted to EUR 3.3 million compared to EUR 4.7 million as on 30 September 2020. Administer's non-current liabilities amounted to EUR 4.2 million as on 31 December 2020, as compared to EUR 6.2 million as on 31 December 2019 and EUR 8.2 million as on 31 December 2018.

Administer's non-current liabilities mainly comprise equity loans, loans from financial institutions and tax liability.

Administer's current liabilities as on 30 September 2021 amounted to EUR 12.1 million compared to EUR 11.4 million as on 30 September 2020. Administer's current liabilities amounted to EUR 10.8 million as on 31 December 2020, as compared to EUR 11.9 million as on 31 December 2019 and EUR 10.3 million as on 31 December 2018.

Administer's current liabilities mainly comprise loans from financial institutions, accounts payable, accrued expenses and other liabilities.

### Liquidity and Capital Resources

#### Overview

Administer's primary sources of liquidity are cash flow from operating activities and assets available from Administer's credit arrangements.

## Cash Flows

MEUR	1 Jan – 30 Sep		1 Jan – 31 Dec		
	2021	2020	2020	2019	2018
	(Unaudited)		(Audited)		
Cash flow from operating activities	1.2	2.5	3.5	4.2	-3.3
Cash flow from investing activities	-1.5	-1.1	-1.4	-3.6	-13.2
Cash flow from financing activities	0.5	-1.3	-2.0	-1.4	15.4

### Cash Flow from Operating Activities

Administer's cash flow from operating activities amounted to EUR 1.2 million for the nine months period ended 30 September 2021 compared to EUR 2.5 million for the nine months period ended on 30 September 2020. Administer's cash flow from operating activities amounted to EUR 3.5 million for the nine months ended 31 December 2020 compared to EUR 4.2 million for the financial period ended 31 December 2019 and EUR -3.3 million for the financial period ended 31 December 2018.

Administer's cash flow from operating activities amounted to EUR -3.3 million for the financial period ended 31 December 2018, due to the increase in trade receivables as Silta's business became part of the Group, as well as in part an increase in financial expenses incurred by acquisitions. Cash flow from Administer's operating activities turned positive in the financial period ended 31 December 2019, amounting to EUR 4.2 million, due to increased operating profit repatriation of trade receivables and an increase in non-interest accounts payable. Cash flow from operating activities for the financial period ended 31 December 2020 amounting EUR 3.5 million, which consisted primarily of increased operating profit and repatriation of trade receivables, but which was accordingly reduced by the payment of non-interest accounts payable. Cash flow from operating activities decreased for the nine months period ended 30 September 2021 compared to the nine months period ended 30 September 2020, following the weakening of operating profit to loss-making and decreasing of the trade payables, but cash flow from operating activities was balanced by the repatriation of trade receivables.

### Cash flow from investments

Administer's investments in tangible and intangible assets amounted to EUR -1.5 million for the nine months period ended 30 September 2021 compared to EUR -1.1 million for the nine months period ended 30 September 2020. Administer's investments in tangible and intangible assets amounted to EUR -1.4 million for the financial period ended on 31 December 2020 compared to EUR -3.6 million for the financial period ended 31 December 2019 and EUR -13.2 million for the financial year ended 31 December 2018.

The most significant factors affecting the cash flow of investments in the financial period ended 31 December 2018 was the acquisition of Silta Group Oy, in the financial period ended 31 December 2019 the payment of the additional transaction fee and for the nine months period ended 30 September 2021 the acquisition of Emce Solution Partner Oy.

### Cash Flow from Financing Activities

Administer's cash flow from financing activities amounted to EUR 0.5 million for the nine months period ended on 30 September 2021 compared to EUR -1.3 million for the nine months period ended 30 September 2020. Administer's cash flow from operating activities amounted to EUR -2.0 million for the nine months period ended 31 December 2020 compared to EUR -1.4 million for the financial period ended 31 December 2019 and EUR 15.4 million for the financial period ended 31 December 2018.

## Liquidity

Administer's primary sources of liquidity are cash flow from operating activities and external financing. Administer's cash and cash equivalents amounted to EUR 1.0 million as on 30 September 2021, as compared to EUR 0.8 million as on 30 September 2020. Administer's cash and cash equivalents amounted to EUR 0.8 million as on 31 December 2020 compared to EUR 0.7 million as on 31 December 2019 and EUR 1.5 million as on 31 December 2018. In addition, Administer held financial securities of EUR 0.3 million on 30 September 2021.

Administer's interest-bearing liabilities amounted to EUR 6.6 million as on 30 September 2021 compared to EUR 7.3 million as on 30 September 2020. Administer's interest-bearing liabilities amounted to EUR 6.3 million as on 31 December 2020 compared to EUR 8.4 million as on 30 December 2019 and EUR 9.8 million as on 31 December 2018.



The total amount of external financing agreed by Administer was EUR 7.7 million as on 30 September 2021, of which EUR 6.6 million was drawn and EUR 1.1 million was undrawn. The drawn amount comprises loans of EUR 4.6 million in total from financial institutions, credit limit of 0.7 million, tax liability of EUR 0.8 million and capital loan of EUR 0.5 million between Adner Oy (formerly Administer Partner Oy) and Enfo Oyj. Administer's bank loans are variable rate and capital loan is fixed rate, with a 6 percent annual interest rate. Loans drawn by Administer will mature in accordance with the payment schedule agreed with the creditors, and the last instalment of the financing will be repaid in May 2024. The tax liability with an annual interest rate of 7 percent will be paid in monthly installments, with the last installment to be paid in September 2023 (see "*Business of Administer – Liabilities and Sources of Capital*"). The capital loan matures upon a written request from Enfo Oyj, taking into account the limitations of the Finnish Companies Act. In addition, Administer has entered into a credit line agreements, with a maximum amount of EUR 1.7 million, with Nordea Bank Abp and a credit facility agreement of EUR 160 thousand with Danske Bank A/S, the Finnish branch, for which a total of EUR 0.7 million was in use as on 30 September 2021, EUR 0.0 million as on 31 December 2020, EUR 0.2 million as on 31 December 2019 and EUR 0.2 million as on 31 December 2019. As on 30 November 2021, EUR 0.9 from the credit line agreements was in use.

### ***Restrictions on the Use of Capital Resources***

The Group's financing agreements include customary covenants related to, among other things, certain key financial figures and the Group's indebtedness, as well as other customary terms and conditions, such as clauses relating to the financial period, the business, granting loans and disclosures. On 3 November 2021, Administer agreed with Nordea Bank Abp, and Elo Mutual Pension Insurance Company on amendments to the covenants included in Administer's financing agreement (the "**Agreement on Amendments**"). In accordance with the Agreement on Amendments, covenants relating to ownership, investments and dividends and other distribution of assets are removed from the financing agreements and the covenant on the ratio of interest-bearing debt to EBITDA is amended to the form presented below. The amendments under the Agreement on Amendments are conditional to the execution of the Listing by 31 March 2022. The most significant covenants related to the Group's financing agreements as on the date of this Offering Circular are described below (for more information, see section "*Risk Factors– Risks related to Administer's financial position and financing – Any breach of the covenants included in the credit agreements entered into by the Company and the Group companies may have a negative effect on the availability of financing to Administer, increase Administer's financial expenses or result in acceleration of the Group's loans*").

#### ***Equity Ratio***

Administer's equity ratio must be at least 30 percent. The Group's equity ratio is reviewed semiannually on 30 June and 31 December.

#### ***Interest-bearing Liabilities/EBITDA***

The ratio of the Group's interest-bearing debt to EBITDA can be 5.0x at maximum in the financial statements for the financial period ending 31 December 2021 and 4.0x at maximum in the interim financial statements for the six months period ending 30 June 2022, and after this, the ratio may be 2.75x at maximum. The ratio of interest-bearing debt to EBITDA is reviewed semiannually on 30 June and 31 December.

#### ***Net Debt***

Administer's interest-bearing net debt as on 30 September 2021 amounted to EUR 5.3 million compared to EUR 6.5 million as on 30 September 2020. Administer's interest-bearing net debt as on 31 December 2020 amounted to EUR 5.5 million compared to EUR 7.6 million as on 31 December 2019 and EUR 8.3 million as on 31 December 2018.

The most material changes in the amount of interest-bearing net debt in the above-mentioned periods are due to instalments under the Administer's bank loan payment plan.

## Off-balance Sheet Arrangements

The table below sets forth Administer’s off-balance sheet arrangements on the dates indicated:

MEUR	As on September 30		As on December 31		
	2021	2020	2020	2019	2018
Credit limit agreements <sup>1)</sup> .....	1.9	1.9	1.9	1.9	1.9
Guarantees on behalf of other Group companies <sup>2)</sup> .....	2.5	2.5	2.5	2.5	2.5
Leasing liabilities.....	0.5	-	0.8 <sup>3)</sup>	1.1 <sup>4)</sup>	1.2 <sup>5)</sup>
Lease guarantees paid.....	0.0	0.0	0.1	0.1	0.1
Lease guarantees granted.....	0.4	0.3	0.3	0.3	0.3
Collaterals for own loans <sup>6)</sup> .....	28.6	28.6	28.6	28.6	28.6

- 1) Granted amounts, of which EUR 0.7 million was withdrawn as on 30 September 2021, EUR 0.0 million was drawn as on 31 December 2020, EUR 0.2 million was drawn as on 31 December 2019 and EUR 0.2 million was drawn as on 31 December 2018.
- 2) On behalf of subsidiaries.
- 3) Of this amount, EUR 0.5 million will fall due for payment in the financial period 2021 and EUR 0.3 million after that.
- 4) Of this amount, EUR 0.6 million fell due for payment in the financial period 2020, and EUR 0.5 million after that.
- 5) Of this amount, EUR 0.6 million fell due for payment in the financial period 2019, and EUR 0.6 million after that.
- 6) Includes real estate mortgages, business mortgages and pledged shares.

In addition to the arrangements presented in the table above, Administer is committed to minimum purchase obligations as a part of the agreement entered into with CGI Suomi Oy. The minimum purchase obligation amounted to EUR 0.95 million between 1 July 2018 and 31 December 2018, EUR 2.1 million between 1 January 2019 and 31 December 2019 and EUR 2.3 million between 1 January 2020 and 31 December 2020. The minimum purchase obligation amounts to EUR 2.55 million between 1 January 2021 and 31 December 2021, EUR 2.9 million between 1 January 2022 and 31 December 2022 and EUR 1.65 million between 1 January 2023 and 30 June 2023. For more information, see “Administer’s Business – Material Agreements – Partnership Agreement with CGI Suomi Oy”.

## Financial Risk Management

The key principles of Administer’s financial risk management are the mitigation of possible adverse effects of the financial markets on Administer’s business operations, efficient management of acquisition of the financing and the liquidity and the objective to provide flexibility in the business operations. In its business operations, Administer is exposed to certain general financial risks, such as interest rate, liquidity, refinancing, credit and counterparty risks.

### Interest Rate Risk

Administer’s interest rate risk arises from its loans from financial institutions with a floating interest rate. Administer’s loans from financial institutions with a floating interest rate amounted to EUR 6.6 million as on 30 September 2021. In the view of Administer’s management, the interest rate risk is low with the present amount of the loans.

### Liquidity Risk

Administer is exposed to the liquidity risk if its liquid assets are not sufficient for satisfying its business needs, or for example, financing its business or investments, or the repayment of its loans. Administer’s operations are primarily financed with its cash flow from operating activities, and in addition to this, the Group’s liquidity is aimed to be ensured with sufficient cash assets and loans from financial institutions. The adequacy of Administer’s financing is monitored regularly with cash flow and investment forecasts.

### Refinancing Risk

Administer’s risks related to the availability of financing are managed by forecasting Administer’s financing needs, diversifying the financing across several providers, managing the payment schedules of the loans and extending the maturities of the loans. Some of Administer’s financing agreements include customary covenants, which are described in more detail in section “– Liquidity and Capital Resources – Restrictions on the Use of Capital Resources”.

### Credit and Counterparty Risk

Administer’s credit and counterparty risk is mainly related to the possible failure of its counterparties to satisfy their payment and delivery obligations. The extent of this risk depends on the size and nature of the risk exposure and the

creditworthiness of the counterparty. Administer regularly monitors its total risk exposure arising from possible payment defaults of the customers. In addition, Administer actively collects its overdue receivables from its customers.

## BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

### General

Under the Finnish Companies Act and the Company's Articles of Association, Administer's governance and management are distributed between the governing bodies of the Company, such as the General Meeting, the Board of Directors and the CEO. The management team supports the CEO in the daily management of the Company's operations.

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 the Company'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.

The shareholders exercise their rights mainly in the General Meetings of Shareholders convened usually by the Board of Directors. In addition to this, a General Meeting of Shareholders shall be held if the Company's auditor or shareholders representing a minimum of one-tenth of all outstanding shares in the Company demand in writing that a General Meeting be convened.

The address of the members of the Board of Directors, the CEO and the management team is Itämerenkatu 5, 00180 Helsinki, Finland.

### The Board of Directors

The task of the Board of Directors is to see to the governance of the Company and ensure the appropriate organisation of the Company's operations. The Board of Directors is also responsible for the appropriate organisation of the Company's accounting and control of financial management. The Board of Directors or any of its members shall not comply with a decision made by the General Meeting of Shareholders, the Supervisory Board or the Board of Directors which is invalid due its noncompliance with the Finnish Companies Act or the Company's Articles of Association. The Company's General Meeting of Shareholders elects the members of the Board of Directors.

According to Administer's Articles of Association, the Board of Directors consists of a minimum of three and a maximum of six ordinary members and a maximum of two (2) deputy members. According to the Finnish Companies Act, the Company is represented by the Board of Directors. According to Administer's Articles of Association, the Company is represented by the Chairman of the Board of Directors and the CEO separately and two (2) members of the Board of Directors together. The Board of Directors may authorise other specified persons to represent the Company on their own or together with another person. The Board of Director may authorise one or several persons to represent the Company on the basis of procuration rights.

The decisions of the Board of Directors are confirmed by the single majority of the members present in the meeting. In the event of a tie, the vote of the chairman is decisive, except for the election of the Chairman, which is resolved by drawing lots. The Board of Directors convenes approximately ten (10) times per year.

### *Members of the Board of Directors*

The table below sets forth the basic information of the members of the Company's Board of Directors as on the date of this Offering Circular:

Name	Position	Nationality	Year of birth	Member of the Board of Directors since
Jukka-Pekka Joensuu	Chairman of the Board of Directors	Finland	1966	2016
Peter Aho	Member of the Board of Directors	Finland	1970	1994
Julianna Borsos	Member of the Board of Directors	Finland	1971	2018
Risto Koivula	Member of the Board of Directors	Finland	1968	2021
Kai Myllyneva	Member of the Board of Directors	Finland	1969	2021
Rolf Backlund	Deputy member of the Board of Directors	Finland	1943	2021

*Jukka-Pekka Joensuu* has served on the Company's Board of Directors since 2016 and as its Chairman since 2018. Joensuu is partner and lawyer in Eversheds Attorneys Ltd. In addition to Administer Group, Joensuu serves on the Board of Directors of Endomines AB and certain growth companies. In 2014–2017, Joensuu was the deputy CEO of Cinia Oy.

In 2009–2014, Joensuu was a partner and Director of Operations at Pricewaterhouse Coopers Oy. In 1998–2009, Joensuu was a member of the management of Telia Finland Plc, TDC's Song Networks and Saunalahti Group Plc in the areas of legal matters, regulation, international relations and business acquisition. Joensuu has a Master of Laws degree and has been trained on the bench.

*Peter Aho* has been the Company's CEO and a member of the Group's Management Team since 1994. In addition, Aho has been a member of the Company's Board of Directors since 1994. Aho has a Vocational Qualification in Business and Administration, and in addition to this, he has studied economic sciences.

*Julianna Borsos* has been a member of the Company's Board of Directors since 2018. In addition, Borsos has been a member of the Board of Directors of EAB Group Plc since 2020, a member of the Supervisory Board of Mortgage Society of Finland Group since 2018 and a member of the Board of Directors in two other portfolio companies of Bocap Group's equity financing funds. In addition, Borsos is a member of the Jury of the European Innovation Council and the representative of Finland in it. Previously, Borsos has been a member of the Board of Directors of, among others, Detection Technology Plc in 2013–2015, Aspocomp Group Plc in 2017–2020 and Eficode Oy in 2018 and its deputy member since 2019. Borsos is a Founding Partner in the equity investment group Bocap, and she has been the Chairman of the Board of Directors and the CEO of Bocap companies since 2012. Previously, Borsos worked, among other things, as the chief analyst for the emerging markets and economist at Nordea Bank Abp (formerly Merita and MeritaNordbanken) in 1997–1999, Director of International Operations and Partner at Mandatum Pankkiiriliike in 1999–2002 and partner at the investment bank incorporated by herself in 2004–2010. Borsos has a Doctor of Science degree in Economics and Business Administration.

*Risto Koivula* has been a member of the Company's Board of Directors since 2021. In addition, Koivula has been a member of the Board of Directors of Otaverkko Oy since 2015 and Graniitti Services Oy since 2020. Koivula has served as the Chief Technology Officer at MTV Oy since 2010 and Head of Broadcast and IT at Telia's TV&Media business area since 2020. Koivula served as MTV Oy's deputy CEO in 2016–2018. In addition, Koivula was the CEO and partner of Siili Solutions Oy in 2006–2009 and the deputy CEO, country director and Chief Technology Officer at Satama Interactive in 1998–2006. Koivula has a Master of Science degree in Technology and an Executive Master of Business Administration degree (eMBA).

*Kai Myllyneva* has been a member of the Company's Board of Directors since 2021. In addition, Myllyneva is the Chairman of the Board of Directors of Silta Group Oy and Silta Oy, among others. Myllyneva has served as a professional board member since 2017. Previously, Myllyneva served as full-time Chairman of the Board of Directors of HR4 Group Oy in 2011–2017 and the CEO of HR4 Group Oy in 2005–2011, the CEO of Convestia Oy in 2003–2005, a director at Aldata Solution Plc in 2000–2001 and the CEO of Avalia Oy in 1992–1999. Myllyneva has a Master of Science degree in Economic and Business Administration.

*Rolf Backlund* has been a deputy member of the Company's Board of Directors since 2021. Backlund was the major shareholder of Emce Solution Partner Oy in 2005–2021. Previously, Backlund was the main partner and CEO of Tietonovo-yhtiöt Plc in 1994–2005, the President and CEO of SKD Konsult AB in 1993 and the CEO of Svenska Datacentralen DC AB in 1985–1992. Backlund has a Bachelor's degree in Economic Sciences.

## **CEO and Other Management**

The CEO manages the Company's day-to-day operations in accordance with guidelines and rules set out by the Board of Directors. The CEO is responsible for ensuring that the company's bookkeeping complies with legislation and that financial management is reliably organised. The CEO shall provide the Board of Directors and its members with the information necessary for the performance of the duties of the Board of Directors.

The CEO may take measures that are considered unusual or extensive in view of the scope and nature of the company's business only with the authorisation of the Board of Directors, unless the time required to obtain such authorisation would cause substantial harm to the Company. In the latter case, the Board of Directors shall be notified of the measures taken as soon as possible.

## CEO and Other Members of the Group's Management Team

The table below sets forth basic information of the members of the Group's Management Team on the date of this Offering Circular:

Name	Position	Nationality	Year of birth	Member of the Management Team since
Peter Aho	CEO	Finland	1970	1994
Johan Idman	CFO	Finland	1967	2017
Kati Paulin	Chief Strategy Officer	Finland	1979	2021
Kati Lehesmaa	Director of Marketing and Communication	Finland	1965	2021
Outi Tenhola	Chief HR Officer	Finland	1975	2019
Jussi Jaakkola	Sales Director	Finland	1974	2020
Markus Backlund	CEO of Emce Solution Partner Oy	Finland	1968	2006
Jukka Iivonen	CEO of Adner Oy and CIO of Administer	Finland	1963	2018
Pertti Vartiamäki	CEO of the affiliate company Kuntalaskenta Oy	Finland	1967	2018
Kimmo Herranen	CEO of Silta Oy	Finland	1973	2021

*Peter Aho* has been the Company's CEO and a member of the Group's Management Team since 1994. In addition, Aho has been a member of the Company's Board of Directors since 1994. Aho has a Vocational Qualification in Business and Administration, and in addition of this, he has studied economic sciences.

*Johan Idman* has been the Company's CFO since 2017. Prior to this, Idman was a Senior Advisor at Straquest Oy in 2017, the CFO of Bright Finland Oy in 2013–2017, Director of Finance and Administration of Stereoscape Oy in 2012–2013 and the CEO of Millenomia Oy in 2012. In addition, Idman served in various financial and development roles at Nokia Corporation in 2003–2010. Prior to this, Idman served as a director and project director at Nokia Mobile Phones in 1995–2003. In addition, Idman serves as a project engineer at Neste Corporation in 1991–1992. Idman was a member of the Board of Directors of Nice-Business Solutions Finland Oy in 2009–2012. Idman has a Master of Science degree in Economic and Business Administration and a Master of Science degree in Technology.

*Kati Paulin* has been Administer Group's Chief Strategy Officer since 2021. Prior to this, Paulin was the CEO of Silta Group and Silta Oy in 2018–2021, the CFO since 2012, Financial Manager in 2011–2012 and in various roles as controller, accountant and office secretary in 2003–2011. Paulin has been the Chairman of the Board of Directors of Administer Group Services Oy since 2020, and in addition to this, she has been a member of the Board of Directors of Silta Eesti OÜ in 2014–2018 and the Chairman of the Board of Directors since 2018. In addition, Paulin was a member of the Board of Directors of Kuntalaskenta Oy in 2013–2015. Paulin has a Bachelor of Science degree in Business Administration and a Master of Business Administration degree (MBA).

*Kati Lehesmaa* has been Administer Group Services Oy's Director of Marketing and Communications since 2021. Prior to this, Lehesmaa was the Marketing Director of Taaleri Plc in 2015–2021, Customer Business Development Manager at OP-Pohjola Group in 2014–2015, Director of the Service Design unit and Director of the cabin crew service department at Finnair Plc in 2007–2012, Director of Marketing and Communications at Deloitte & Touche Oy in 2005–2007, customer service development manager at Ernst & Young Oy in 2002–2005, administrative manager at Arthur Andersen Oy in 2002 and office manager at Riot Entertainment Oy in 2000–2001. Lehesmaa was a member of the Boards of Directors of Finnair Catering Oy in 2008–2011, Finnacatering Oy in 2008–2011 and Finnair Flight Academy Oy in 2009–2011. Lehesmaa is an HSO secretary and has a Master of Science degree in Economic and Business Administration.

*Outi Tenhola* has been Administer's Chief HR Officer since 2019. Prior to this, Tenhola was the HR Director of Silta Oy in 2018, Mikeva Oy in 2016–2018 and Diacor Oy in 2014–2016. In addition to this, Tenhola worked as occupational health psychologist at Diacor Oy in 2011–2014. Tenhola has a Master of Sciences degree in Psychology.

*Jussi Jaakkola* has been Administer's Sales Director since 2020. In addition, he has served the Company as a sales manager and the Sales Director since 2010. Prior to this, Jaakkola worked as sales negotiator and project manager at Martela Plc in 2001–2005 and 2008–2010. In addition, Jaakkola worked as account manager at Mobel Original Design Oy in 2005–2007 and sales representative at Finnside Oy in 1998–2001. Jaakkola has a Bachelor's degree in Business Administration.

*Markus Backlund* has been in the Company's Management Team since 2021 and the CEO of Emce Solution Partner Oy since 2008, and prior to this, he was the COO of Emce Solution Partner Oy in 2006–2008. Prior to this, Backlund worked as controller and Business Unit Lead at Sentera Plc in 2005–2006. In addition, Backlund was the CEO of Tietonovo Oy in 2005, and prior to this, held various roles in the company since 1996. Backlund has a Vocational Qualification in Business and Administration.

*Jukka Iivonen* has been the CEO of Adner Oy since 2018, and in addition to this, he is the CIO of Administer. Prior to this, Iivonen served as a consultant at Trimico Oy in 2018, the COO and CIO of Kovanen Yhtiöt Oy in 2015–2017, the CEO and country manager at TDC Hosting Oy in 2012–2014, the Sales and Marketing Director and the CEO of Cybercom Finland Oy and 2010–2012 and Vice President at TietoEnator in 1995–2010. Iivonen has Master of Science degree in Economic and Business Administration.

*Pertti Vartiamäki* has been the CEO of Kuntalaskenta Oy since 2018. Prior to this, he worked as a sales manager at Administer Oy in Tampere since 1986, Konica Minolta Business Solutions Finland Oy, Datainfo in Tampere and Hi-Lam Oy. Vartiamäki has a Vocational Qualification in Accounting.

*Kimmo Herranen* has been the CEO of Silta Oy and a member of the Group's Management Team since 2021. In addition, Herranen has been a member of the Board of Directors of Logpoint Oy since 2021 and the Chairman of the Board of Directors of Masterhill Invest Oy since 2021. Herranen was the Business Director of Golf Center Oy in 2020–2021, an entrepreneur at Gasellyritys Herranen Oy since 2016, Vice President at I S Mäkinen Oy in 2019 and the Sales and Marketing Director at Administer Oy in 2005–2018. Herranen has a Master of Science degree in Economic and Business Administration.

### **Statement on the Members of the Company's Management**

As on the date of this Offering Circular, none of the members of the Board of Directors, the Management Team nor the CEO have during the previous five (5) years:

- been convicted in relation to fraudulent offences;
- held an executive function, been included in the executive management, or been a member of the administrative, management or supervisory bodies of any company, or acted as a general partner with individual liability in a limited partnership at the time of or preceding any bankruptcy, receivership, administration of an estate or liquidation; or
- been subject to any official public incrimination and/or sanctions by any statutory or regulatory authorities (including any designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

The deputy member of the Board of Directors, Rolf Backlund, is a father of Administer's Management Team member Markus Backlund. In other respects, there are no family relations between the members of the Company's Board of Directors or the Management Team.

### **Conflicts of Interest**

Provisions regarding the conflicts of interest of the management of a Finnish company are set forth in the Finnish Companies Act. Pursuant to Chapter 6 Section 4 of the Finnish Companies Act, a member of the Board of Directors may not participate in the handling of a contract between himself or herself and the company. Further, a member of the Board of Directors may not participate in handling a matter related to an agreement between the company and a third party, if he or she is expected to receive a significant benefit from the agreements, which may be in conflict with the Company's interests. This provision also applies to any other legal act, legal proceeding and other right to plead or speak.

Jukka-Pekka Joensuu, the Chairman of the Company's Board of Directors, is not independent of the Company, but is independent of the major shareholders of the Company. Julianna Borsos, a member of the Board of Directors, is independent of the Company but not independent of one of its major shareholders. Peter Aho, a member of the Board of Directors, is not independent of the Company nor of one of its major shareholders. Risto Koivula, a member of the Board of Directors, Kai Myllyneva, member of the Board of Directors, and Rolf Backlund, a deputy member, are independent of both the Company and its major shareholders.

The Selling Shareholder will sell Sale Shares in the Share Sale.

In addition to the above, the members of the Company’s Board of Directors, the CEO or the members of the Management Team do not have any conflicts of interest between their duties relating to the Company and their private interests and/or their other duties.

For more information, see “*Related Party Transactions*” and “*The Board of Directors, Management and Auditors – Shareholdings of the Board of Directors and Management*”.

### **Fees and Benefits of the Board of Directors and the Management**

According to the Finnish Companies Act, the Annual General Meeting of Shareholders decides on the fees payable to the members of Administer’s Board of Directors.

The Company’s Extraordinary General Meeting of the Shareholders resolved on 4 November 2021 that as of 1 January 2022 the Chairman of the Board of Directors will be paid EUR 5,000 per month and other members EUR 4,000 per month. The travel expenses of the members of the Board of Directors are reimbursed in accordance with the Company’s travel policy. The resolution of the Extraordinary General Meeting of the Shareholders is conditional to the completion of the Listing.

The table below sets forth the salaries and fees paid to the CEO and the Management Team of the Group and the members of the Company’s Board of Directors for the nine months ended 30 September 2021 and 30 September 2020, as well as for the financial periods ended 31 December 2020, 31 December 2019 and 31 December 2018.

(TEUR)	1 Jan–30 Sep		1 Jan–31 Dec		
	2021	2020	2020	2019	2018
	(Unaudited)				
CEO	158.3	158.0	207.7	187.2	206.6
Other members of the Management Team	599.6	508.6	622.7	534.5	358.5 <sup>1)</sup>
Board of Directors	45	41	56	56	47
<b>Total</b>	<b>802.9</b>	<b>707.6</b>	<b>886.4</b>	<b>777.7</b>	<b>612.1</b>

1) The Group did not have a Management Team in 2018, and due to this, the table includes the figure for the Company’s Management Team.

No loans, guarantees or other contingencies have been granted to the CEOs or members of the Boards of Directors of the group companies. The CEOs of the group companies are covered by TyEL or YEL. No other pension commitments have been made in connection with the CEOs or members of the Boards of directors or previous members of the governing bodies. According to CEO agreements, the CEOs of the Group companies are entitled to a separate termination compensation equivalent to a total salary of six months (excluding bonuses), except for certain exceptional circumstances listed in the CEO contracts. In other respects, the employment or service agreements entered into by Administer with the members of the Management do not include severance benefits when they terminate.

There have been no material changes in the fees of the Board of Directors and the Management Team, except the above-mentioned General Meeting’s resolution since 30 September 2021. Some members of the Board of Directors have changed since 30 September 2021.

### **Incentive Plans**

As on the date of this Offering Circular, Administer does not have share-based incentive plans in effect.

Administer offers incentive plans to the Group’s personnel and the members of the Management Team based on their performance.



## Shareholdings of the Board of Directors and Management

As on the date of this Offering Circular, the members of Administer’s Board of Directors and Management Team hold 8,257,140 shares either directly or through companies owned by them, accounting for 73.01 percent of the Shares and the votes carried by them before the completion of the Offering. For more information, see “Ownership Structure”.

Name	Position	Number of shares	Shareholding, %
Peter Aho	CEO, member of the Board of Directors	6,880,980	60.84
Julianna Borsos	Member of the Board of Directors	0	0
Risto Koivula	Member of the Board of Directors	0	0
Kai Myllyneva	Member of the Board of Directors	0	0
Rolf Backlund <sup>1)</sup>	Deputy member of the Board of Directors	1,102,620	9.75
Kati Paulin	Chief Strategy Officer	0	0
Kimmo Herranen	Silta Oy’s CEO	227,820	2.01
Jukka-Pekka Joensuu <sup>2)</sup>	Chairman of the Board of Directors	18,750	0.17
Johan Idman	CFO	15,000	0.13
Jussi Jaakkola	Sales Director	11,970	0.11
Kati Lehesmaa	Director of Marketing and Communications	0	0
Outi Tenhola	Chief HR Officer	0	0
Markus Backlund <sup>3)</sup>	CEO of Emce Solution Partner Oy	0	0
Jukka Iivonen	CEO of Adner Oy, CIO of Administer	0	0
Pertti Vartiamäki	CEO of the affiliate company Kuntalaskenta Oy	0	0
<b>Total</b>		<b>8,257,140</b>	<b>73.01</b>

- 1) Backlund does not directly hold Shares in the Company. Backlund holds 33 percent of the shares of a Shareholder of the Company Sijoitus Oy MC Invest Ab’s and 53.3 percent of its votes. Sijoitus Oy MC Invest Ab holds 1,102,620 shares in the Company, accounting for 9.75 percent of the Company’s shares and votes.
- 2) Joensuu does not directly hold Shares in the Company. Joensuu holds 65 percent of the shares of a Shareholder of the Company Delfyne Oy, and which holds 18,750 shares in the Company, accounting for 0.17 percent of the Company’s shares and votes.
- 3) Backlund holds 27 percent of Sijoitus Oy MC Invest Ab’s shares and 26.7 percent of its votes. Sijoitus Oy MC Invest Ab holds 1,102,620 shares in the Company, accounting for 9.75 percent of the Company’s shares and votes.

## Memberships and Partnerships of the Members of the Board of Directors and Management Team

The members of the Company’s Board of Directors and Management Team have or have had during the last five (5) years before the date of this Offering Circular the following memberships and/or been partners in the following partnerships (excluding Administer’s group companies):

Name	Current memberships and partnerships	Previous memberships and partnerships
<b>Peter Aho</b>	Asunto Oy Särkiniementie 22 (Chairman of the Board) Anzel Oy (deputy member of the Board) Asunto Oy Helsingin Eteläinen Hesperiankatu 4 (member of the Board)	Asunto Oy Helsingin Scarlett (Chairman of the Board) Delfyne Oy (member of the Board) ALeyeGN Oy (member of the Board) Nordic Collective Oy (member of the Board) TP Studio Oy (member of the Board) Handmade Software Company Oy (member of the Board)
<b>Johan Idman</b>	Millenomia Oy (member of the Board)	-
<b>Kati Paulin</b>	-	-
<b>Kati Lehesmaa</b>	Kovasti Oy (Chairman of the Board)	Kiinteistö Oy Siuntion Golfkuja 3 (member of the Board)
<b>Outi Tenhola</b>	-	-
<b>Jussi Jaakkola</b>	-	-
<b>Markus Backlund</b>	Sijoitus Oy MC Invest Ab (member of the Board) Hattel Horse Oy (Chairman of the Board) Emceläiset Oy (member of the Board)	Kiinteistö Oy Hattel Stable (member of the Board)
<b>Jukka Iivonen</b>	-	-
<b>Pertti Vartiamäki</b>	-	-

<b>Kimmo Herranen</b>	Logpoint Oy (member of the Board) Masterhill Invest Oy (Chairman of the Board) Gaselliyritys Herranen Oy (Chairman of the Board)	Viestintä Ground Oy (member of the Board) Biffa Oy (member of the Board)
<b>Jukka-Pekka Joensuu</b>	Netox Oy (member of the Board) Destination Lapland Oy (Chairman of the Board) Pepperone Oy (member of the Board) Sunduka Oy (Chairman of the Board) Cardu Oy (Chairman of the Board) Delfyne Oy (Chairman of the Board) Unified Chargers Oy (Chairman of the Board) Villa Oktá Oy (Chairman of the Board) Endomines Finland Oyj (member of the Board)	Taksi Helsinki Oy (member of the Board) Ficolo Oy (member of the Board) Alekstra Oy (member of the Board, Chairman of the Board) Cinia One Oy (member of the Board)
<b>Julianna Borsos</b>	Netox Oy (deputy member of the Board) EAB Group Oyj (member of the Board) Eficode Oy (deputy member of the Board) MEDIVIDA Oy (member of the Board) Greenled Oy (deputy member of the Board) Primex Pharmaceuticals Oy (member of the Board) Bocap Investment Oy (Chairman of the Board) Bocap SME Advisors Oy (Chairman of the Board) Bocap SMEs I GP Oy (Chairman of the Board) Quuppa Oy (deputy member of the Board) Feelis Helsinki Oy (Chairman of the Board) Bocap Private Equity Oy (Chairman of the Board) Bocap SMEs II GP Oy (Chairman of the Board) Bocap SMEs III GP Oy (Chairman of the Board)	Specim, Spectral Imaging Oy Ltd (deputy member of the Board) Nanocomp Oy Ltd (member of the Board) Aspocomp Group Oyj (member of the Board) Eficode Oy (member of the Board) 9Solutions Oy (deputy member of the Board) BF Finance Oy (Chairman of the Board) BF Yrityslaina I GP Oy (Chairman of the Board) Bolt Group Oy (member of the Board) Koin Capital Oy (Chairman of the Board)
<b>Risto Koivula</b>	Asunto-osakeyhtiö Runeberginkatu 32 (deputy member of the Board) Marjakka Kommandiittiyhtiö (general partner) Otaverkko Oy (member of the Board) Platco Oy (member of the Board) Graniitti Services Oy (member of the Board)	Asunto-osakeyhtiö Runeberginkatu 32 (member of the Board) MTV Oy (deputy member of the Board)
<b>Kai Myllyneva</b>	Laatulinna Oy (Chairman of the Board) Kjelp Oy (member of the Board) Fellow Finance Oyj (Chairman of the Board) Connected Inventions Oy (member of the Board) Duolog Works Oy (member of the Board) Duolog Extend Oy (member of the Board) Duolog Warehouse Oy (member of the Board) Duolog Oy (member of the Board) Investacon Oy (member of the Board) Connected Finland Oy (member of the Board) Connected Inventions Oy (member of the Board)	Asunto Oy Espoon Bakery Villas I (Member of the Board) Asunto Oy Espoon Bakery Villas II (member of the Board) Promenade Research Oy (Chairman of the Board) Accountor HR4 Oy (Chairman of the Board) HR4 Solutions Oy (Chairman of the Board)

	Aito Kivitalot Group Oy (Chairman of the Board)	
	Convestia Oy (member of the Board)	
<b>Rolf Backlund</b>	Sijoitus Oy MC Invest Ab (Chairman of the Board)	Aktiebolaget Snåldöhamn (member of the Board)
	Hattel Horse Oy (deputy member of the Board)	Kiinteistö Oy Hattel Stable (Chairman of the Board)
	CapMan Private Access IV Buyout Ky (limited partner)	Emceläiset Oy (member of the Board)
	IOR Backlund Ab (Member of the Board)	

## Auditors

The Company's consolidated financial statements for the financial periods ended 31 December 2020, 31 December 2019 and 31 December 2018 have been audited by the accounting firm Ernst & Young Oy, with authorised public accountant Timo Eerola acting as the auditor with principal responsibility. Timo Eerola is registered in the auditor register in accordance with Chapter 6 Section 9 of the Finnish Auditing Act (1141/2015, as amended). Ernst & Young Oy's address is Alvar Aallon katu 5 C, 00100 Helsinki. Ernst & Young Oy was appointed as the Company's auditor for the financial period ending 31 December 2021, with authorised public accountant Johanna Winqvist-Ilkka acting as the auditor with principal responsibility. Johanna Winqvist-Ilkka is registered in the auditor register in accordance with Chapter 6 Section 9 of the Finnish Auditing Act (1141/2015, as amended).

## RELATED PARTY TRANSACTIONS

### General

Parties are considered related parties if one controls the other or if one otherwise has significant influence or joint control in the financial and business decision-making of the other. Administer's related parties include the Company's subsidiaries and affiliated companies and joint ventures, in which the Company's ownership share is under 100 percent. In addition, the related parties include Administer's key management persons, i.e. the members of the Board of Directors, the CEO and other members of the Management Team and their close family members and entities in which the persons mentioned above have control or joint control.

Transactions with the Company's related parties are conducted on an arm's length basis.

In addition to the transaction presented below, the Company did not execute significant related party transactions during the financial periods ended 31 December 2020, 31 December 2019 and 31 December 2018, for the nine months ended 30 September 2021 nor between 30 September 2021 and the date of this Offering Circular.

Administer entered on 1 June 2021 into an agreement on directorship leasing with Kai Myllyneva, a member of the Board of Directors. Duties under the agreement on directorship leasing of Myllyneva include being the Chairman of the Board of Silta from 1 June 2021, preliminary assessment work between 1 June 2021 and 31 July 2021, acting as interim CEO of Silta from 1 August 2021 until the appointment of a new CEO and acting as the Group's Director of Change from 1 August 2021, Myllyneva's contract is fixed period until 31 December 2021. The value of the related party transactions based on this agreement is approximately EUR 53,000 in total between 1 June 2021 and the date of this Offering Circular.

For more information on the remuneration of the members of the Group's Board of Directors and Management Team, see "*The Board of Directors, Management and Auditors – Board of Directors' and Management's Fees and Benefits*".

## OWNERSHIP STRUCTURE

As on the date of this Offering Circular, Administer's registered share capital is EUR 80,000 and it comprises 11,310,000 Shares. The Shares have no nominal value.

As on the date of this Offering Circular, Administer has a total of twenty-two (22) shareholders. The table below sets forth Administer's ten (10) largest shareholders as on the date of this Offering Circular:

	<u>Number of shares</u>	<u>% of shares and votes</u>
Peter Aho.....	6,880,980	60.84
Bocap SME Achievers Fund II Ky.....	1,900,890	16.81
Sijoitus Oy MC Invest Ab.....	1,102,620	9.75
Kimmo Herranen .....	227,820	2.01
Mats Hentzel .....	199,860	1.77
Päivi Husu .....	172,500	1.53
AB Förvaltningsfinans Del Credere .....	164,820	1.46
Emceläiset Oy.....	162,840	1.44
CreaCap Oy .....	112,500	0.99
JP Accounting Oy Ab.....	75,750	0.67
Other shareholders.....	309,420	2.74
<b>Total Company shares .....</b>	<b>11,310,000</b>	<b>100.00</b>

2) Rolf Backlund, deputy member of the Company's Board of Directors, holds 33% of the shares and 53.3% of the votes of the Company's shareholder Investment Oy MC Invest AB.

As on the date of this Offering Circular, Peter Aho holds 60.84 percent of Administer's Shares and votes. Due to this, Peter Aho has control over the Company in accordance with the Securities Market Act.

Administer is not aware of arrangements the execution of which could result in change of control in the Company.

Administer's has a single share class. In accordance with the Finnish Companies Act, each of Administer's shares entitles to one vote in a General Meeting of Shareholders. The Company's present shareholders have entered into a shareholders' agreement which terminates in connection with the Listing.

Administer is not aware of arrangements or agreements between its shareholders which could influence the control of votes or their exercising in Administer's General Meetings of Shareholders.

## SHARES AND SHARE CAPITAL

### General

The Company's business name is Administer Oyj (in English, Administer Plc), and its domicile is Finland. The Company has a registered auxiliary company name "Efina" which line of business is the development, sale, lease and intermediation of IT software, and "Administer ePalkka" which line of business is the provision of financial management services. The Company is a Finnish limited liability company incorporated on 7 March 1985, and it is subject to Finnish law. The Company is registered in the Trade Register maintained by the Finnish Patent and Registration Office with the business ID 0593027-4. The Company's LEI code is 743700M4YLEWP2UNWG60. The Company's registered address is Itämerenkatu 5, 00180 Helsinki, Finland. The Company's telephone number is +358 20 703 2000. The address of the Company's website is www.administergroup.com. According to Section two (2) of the Company's Articles of Association, the Company's field of business is to provide services for financial management. In addition, the Company may conduct activities related to selling, leasing and distributing IT software and to real estate management.

### The Company's Shares and Share Capital

#### General

The Company has a single share class, and each Share entitles its holder to one vote in the Company's General Meeting of Shareholders. The Shares have no nominal value. All Shares in the Company carry equal rights to dividends and other distributions of funds by the Company.

The Company's registered share capital as on the date of this Offering Circular is EUR 80,000 and the Company has 11,310,000 fully paid shares. The Company's Articles of Association do not contain any provisions governing the Company's minimum and maximum share capital. The Shares are denominated in euro.

The Company's Shares are freely transferrable after the Listing within the lock-up requirements described in "Plan of Distribution –Lock-up".

As on the date of this Offering Circular, the Company's Articles of Association include consent and redemption clauses. The Company's Extraordinary General Meeting of Shareholders resolved on 4 November 2021 to remove these clauses from the Articles of Association in connection with the Listing.

The Company's shares are registered in the electronic book-entry account system maintained by Euroclear Finland.

The Company will file a listing application for admitting the Shares for public trading in First North. Assuming that the Company's listing application is approved, the public trading in the Shares is expected to commence in First North on or about 21 December 2021 with the trading code ADMIN and ISIN code FI4000513411.

#### Historical Development of the Shares and Share Capital

The table below sets forth the historical development of Administer's Shares and share capital between 1 January 2018 and the date of this Offering Circular:

Date of the decision	Arrangement	Number of shares before the arrangement	Number of issued shares	Number of shares after the arrangement	Share capital (EUR)	Date of registration Trade Register
15 June 2018	Share issue for Bocap SME Achievers FUND II Ky	253,448	63,363 <sup>1)</sup>	316,811	2,522.82	7.8.2018
28 February 2019	Share exchange	316,811	3,851	320,662	2,522.82	21.5.2019
16 August 2021	Share issue to the shareholders of Emce Solution Partner Oy	320,662	54,138 <sup>2)</sup>	374,800	2,522.82	15.10.2021
15 October 2021	Share issue to the shareholders of Tilikamut Oy	374,800	2,200 <sup>3)</sup>	377,000	2,522.82	4.11.2021
4 November 2021	Share split	377,000	10,933,000	11,310,000	2,522.82	5.11.2021
4 November 2021	Raise of the share capital	11,310,000	-	11,310,000	80,000	5.11.2021

1) Subscription price per share EUR 78.91

2) In the Share Issue, the subscription price was paid by transferring to the Company the share capital of Emce Solutions Partner Oy. The shares transferred against apportion property represent more than 10% of the Company's share capital as on the date of this Offering Circular.

3) Subscription price per share EUR 189.03.

4) Subscription price per share EUR 200.0.

## **Share Issue Authorisations of the Board of Directors in Effect**

On 4 November 2021 the Company's Extraordinary General Meeting of the Shareholders resolved to authorise the Board of Directors to decide upon an issue of a maximum of 3,000,000 New Shares in connection with the Listing of the Company. The share issue can be executed in deviation from the pre-emptive subscription right of the shareholders (a directed issue), including offering shares to institutional investors, personnel and the public. The Board of Directors was further authorised to decide upon all other terms and condition and matters related to the share issue. The authorisation is in effect until the completion of the Offering, however, no later than 31 May 2022.

On 4 November 2021 the Company's Extraordinary General Meeting of the Shareholders resolved to authorise the Board of Directors to decide upon an issue of a maximum of 500,000 Shares. The share issue can be executed in deviation from the pre-emptive subscription right of the shareholders (a directed issue) for financing or implementing, for example, business acquisitions, investments or other arrangements relevant to the Company's business. The authorisation is in effect until 31 May 2022.

## **Shareholder Rights**

### ***Pre-emptive Subscription Rights of the Shareholders***

Under the Finnish Companies Act, shareholders have a pre-emptive right to subscribe for new shares in the Company. A resolution to issue new shares in deviation of the pre-emptive rights as well as a resolution to grant option rights and other special rights entitling to the company's shares requires at least two-thirds of all votes cast and shares represented at a General Meeting. In addition, such resolution requires that there is a weighty financial reason for the company to do so. According to the Finnish Companies Act, a resolution on a share issue without payment in deviation of the shareholders' pre-emptive rights requires that there is an especially weighty reason for the company and in regard to the interests of all shareholders in the company.

Certain shareholders who reside or whose registered address is outside Finland, including "U.S. Persons" (as defined in Regulation S of the U.S. Securities Act), may not necessarily be able to exercise their pre-emptive subscription rights unless the shares have been registered according to the securities legislation in effect in the relevant country or an exception from registration or other similar requirements is available.

### ***General Meeting of the Shareholders***

Under the Finnish Companies Act, shareholders exercise their power to decide on corporate matters at General Meetings. Under the Finnish Companies Act and according to the Company's Articles of Association, the Annual General Meeting shall be held annually on the date determined by the Board of Directors within six months from the end of the financial period. The Annual General Meeting shall decide, among other things, upon the approval of the financial statements, distribution of dividend and elections of members of the Board of Directors and the auditor and their remuneration. The Annual General Meeting also decides upon the discharge of the Board of Directors and of the CEO from liability. Extraordinary General Meetings in respect of specific matters must be held when considered necessary by the Board of Directors, or when requested in writing by the auditor of the company or by shareholders of the Company holding at least 10 percent of all the Shares of the company.

According to the Company's Articles of Association, the notice convening a General Meeting of Shareholders shall be delivered to the Company's shareholders three (3) months before the General Meeting at the earliest and no later than three (3) weeks before the General Meeting, however, always at least nine days before the record date of the General Meeting of Shareholders. The notice shall be delivered to the shareholders by mailing it to their addresses specified in the Company's shareholder register or publishing it on the Company's website or in at least one national daily newspaper designated by the Board of Directors. To be entitled to attend the General Meeting, the shareholder shall notify his/her attendance to the Company by the date specified in the notice convening the meeting at the latest, and this date can be ten (10) days before the General Meeting at earliest.

In order to have the right to attend and vote at a General Meeting of Shareholders, a shareholder must be registered, in accordance with the Act on the Book-Entry System and Clearing Operations, in the shareholders' register maintained by Euroclear Finland no later than eight business days prior to the relevant General Meeting (the record date of the General Meeting). A beneficial owner wishing to attend and vote at the General Meeting should seek a temporary registration in the shareholders' register. The notification of temporary registration should be made at the latest on the date specified in the notice to the General Meeting, which shall according to the Finnish Companies Act be after the record date of the General Meeting, and such notification is considered a notice of participation in the General Meeting. If the shareholder

is participating in the General Meeting through several authorised representatives, the shareholder shall in connection with the notification notify the shares on the basis of which each authorised representative represents the shareholder.

Except for certain exceptions stipulated in the Finnish Companies Act, there are no quorum requirements regarding a certain number of shares to be represented in General Meetings.

On 7 May 2021, the Parliament of Finland approved the Act on temporary deviation from the Limited Liability Companies Act, the Limited Liability Housing Companies Act, the Co-operatives Act, the Associations Act and certain other corporate acts (375/2021, as amended) (the “**Temporary Act**”), which enables certain exceptions from the provisions of the Finnish Companies Act on the General Meeting of a limited liability company. Under the Temporary Act, listed companies and First North companies can arrange their General Meetings so that a shareholder can exercise its rights in the General Meeting only through a representative. In addition, the Temporary Act allows listed and First North Companies to arrange their General Meetings so that a shareholder can exercise its rights in the General Meeting only by using postal services, data communication connections or other technical means. The Temporary Act came into effect on 8 May 2021, and it will remain in effect until 30 June 2022.

### ***Voting Rights***

A shareholder may attend and vote at a General Meeting in person or through an authorised representative. Each share in the Company entitles its holder to one vote at a General Meeting. If the shareholder’s shares are recorded on more than one book-entry account, the shareholder has the right to use a different authorised representative for each book-entry account. The shareholder may also vote differently with a part of his owned votes. In order to attend and vote at a General Meeting, a shareholder must be registered in the shareholders’ register maintained by Euroclear Finland.

At the General, most resolutions are passed by a simple majority of the votes cast. However, certain resolutions, such as amending the Articles of Association, waiving shareholders’ pre-emptive right to subscribe for shares in a new issue and resolutions on a merger, a demerger or dissolution of the Company require at least a two-thirds majority of the votes cast and the shares represented at the meeting.

### ***Dividends and Other Distribution of Unrestricted Capital***

A General Meeting decides on the payment of dividend and other distribution of funds by the majority of the votes cast. All Shares of the Company carry equal rights to dividends and other distributions by the Company. In accordance with prevailing practice in Finland, dividends on shares of a Finnish company are generally only paid annually and only after shareholder approval of the Company’s financial statements and of the amount of the dividend proposed by the Board of Directors. However, under the Finnish Companies Act the General Meeting may also authorise the Board of Directors to resolve upon payment of dividends.

Under the Finnish Companies Act, the equity of a limited liability company is divided into restricted and unrestricted equity. Restricted equity consists of the share capital, the fair value reserve and the revaluation fund as well as any possible reserve fund and share premium fund established prior to 1 September 2006 under the old Finnish Companies Act. Other equity reserves are included in unrestricted equity. Accordingly, unrestricted equity includes the profit for the preceding financial period, retained earnings from previous financial periods and the Company’s other unrestricted equity, including the funds in the invested unrestricted equity fund, less the reported losses and the amount that the Articles of Association require to be left undistributed, and certain other non-distributable funds.

The Finnish Companies Act emphasises the maintenance of the company’s solvency in connection with the distribution of funds and, consequently, no funds may be distributed if, when making the decision on the distribution, the persons knew or should have known that the Company was insolvent or that it would become insolvent due to the distribution of the funds.

Under the Finnish Companies Act, the amount of dividend may not exceed the amount proposed or accepted by the Board of Directors. However, shareholders holding no less than 10 percent of all the shares may request at the Annual General Meeting that the amount distributed as dividend shall be at least one-half of the parent company’s profit for the last preceding financial period, less the amount that the Articles of Association of the company may require to be left undistributed and any dividends previously distributed in respect of the financial period in question. However, the dividend so paid may neither exceed the amount distributable without the creditors’ consent nor 8 percent of the total equity of the parent company.

Dividends and other unrestricted equity can be distributed for a certain financial period after the General Meeting has adopted the financial statements for the period in question and resolved on the amount of dividends or other distribution of unrestricted funds on the basis of the proposal prepared by the Board of Directors. Pursuant to the Finnish Companies



Act, payment of dividends or other distribution of unrestricted equity can be also based on other financial statements than the adopted financial statements for the latest financial period, provided that the General Meeting has adopted the financial statements in question. Significant changes in the Company's financial position that have occurred after the financial statements were prepared must be considered when deciding on the distribution of profits.

Under the Finnish Companies Act, dividends and other distributions are paid to shareholders or their nominees entered in the shareholders' register on the relevant record date. Such register is maintained by Euroclear Finland through the account operators. No dividends are payable to shareholders not entered in the shareholders' register.

The right to dividends expires within three years from date on which dividends are paid.

Distribution of other unrestricted equity takes place essentially in a manner similar as described above regarding the distribution of dividend.

For information on the taxation of dividends, see "*Taxation*".

### ***Redemption Obligation and Right***

Under the Finnish Companies Act, a shareholder holding shares representing more than 90 percent of all the shares and votes in a company has the right to redeem the remaining shares in the company at fair market value (redemption right). In addition, a shareholder whose shares can be redeemed in the above manner is entitled to demand redemption of his/her shares from the majority shareholder entitled to exercise redemption (majority shareholder's redemption obligation).

### ***Dilution of Ownership***

To the extent that a shareholder decides not to subscribe for or acquire Offer Shares in the Offering, the proportionate ownership and number of votes in the Company of such shareholder will be diluted accordingly.

In the Offering, the total number of the Shares may increase to 13,574,110 Shares assuming that the maximum number of New Shares are offered and subscribed for in the Offering (to 14,194,110 Shares assuming that the Over-allotment Option is exercised in full). Should the Company's present shareholders not subscribe for the Offer Shares or sell Sale Shares in the Offering, their total ownership share would be diluted by approximately 16.7 percent assuming that the maximum number of New Shares are offered and subscribed for in the Offering (by approximately 20.3 percent assuming that the Over-allotment Option is exercised in full).

The Company's equity per Share amounted to EUR 51.12 as on 30 September 2021 (the share split resolved on 4 November 2021 and share issue in connection with acquisition of Tilikamut Oy have not been taken into account). The Subscription Price is EUR 4.86 in the Public Offering and the Institutional Offering. The Subscription Price in the Personnel Offering is 10 percent lower than the Subscription Price, i.e. EUR 4.38 per Offer Share.

For more information on the Company's ownership structure, see "*Ownership Structure*".

### ***Transfer of Shares in the Finnish Book-entry Account System***

Upon a sale of shares through the Finnish book-entry securities system, the relevant shares are transferred from the seller's book-entry account to the purchaser's book-entry account as a bank account transfer. For the sale, allocation data is recorded into Euroclear Finland's Infinity 2 clearing system and, if necessary, a provision regarding the book-entry security is made to the book-entry account. The sale is registered as an advance transaction until clearing and payment, after which the purchaser is automatically registered in the register of shareholders of the relevant company. If the shares are registered in the name of a nominee and the seller's and purchaser's shares are deposited in the same custodial nominee account, a sale of shares does not require any entries into the Finnish book-entry securities system, unless the nominee changes or the shares are transferred from the custodial nominee account pursuant to the sale.

### ***Foreign Exchange Control***

Foreign investors can acquire shares of a Finnish company without any specific exchange control authorisation. Foreign investors can also receive dividends without any specific exchange control authorisation, but the company distributing the dividend must deduct the withholding tax from the assets transferred outside Finland, unless otherwise stated in an applicable tax treaty. Foreign investors who have acquired shares of a Finnish company may receive shares in connection with a rights issue or share issue without any specific exchange control authorisation. Foreign shareholders may sell their shares in a Finnish company in Finland and the assets acquired in connection with such sale can be transferred outside

Finland in any convertible currency. There are no exchange control rules in Finland which would restrict the selling of shares of a Finnish company to another foreign person.

## FIRST NORTH AND THE FINNISH SECURITIES MARKET

*The summary below is a general description of First North marketplace and the Finnish securities market, and it is based on Finnish law in effect on the date of this Offering Circular. The summary is not exhaustive.*

### General

The securities market in Finland is supervised by the FIN-FSA. The principal statute governing the Finnish securities market is the Finnish Securities Market Act, which contains regulations with respect to company and shareholder disclosure obligations, prospectuses and public tender offers, among other things, and the Market Abuse Regulation ((EU) No 596/2014) (the “MAR”) containing rules on, among other things, procedures relating to disclosure of insider information and disclosure of managers’ transactions. Regulations governing public trading in securities and other financial instruments have been compiled in the Act on Trading in Financial Instruments (1070/2017, as amended). The FIN-FSA monitors compliance with these regulations. The FIN-FSA may issue more detailed regulations pursuant to the Securities Market Act and other acts.

The requirements under the Securities Market Act on regulated markets, such as flagging requirements, do not apply to securities subject to multilateral trading on First North. However, certain provisions of the Securities Market Act are also applied to securities subject to multilateral trading, such as provisions relating to market abuse and certain rules on public tender offers. Furthermore, rules of the Nasdaq First North Growth Market Rulebook set obligations on companies subject to public trading on First North.

The Securities Market Act and the MAR specify minimum disclosure requirements for Finnish companies applying to have their shares listed on the Nasdaq Helsinki or First North marketplace or whose securities are publicly traded or who offer their securities to the public. Insider information is required to be disclosed in a manner that the public has prompt access to the information and it can be evaluated in a sound, proper and timely manner among the public. A Finnish listed company, i.e. a company that has issued shares that are traded on a regulated market, is responsible for regularly publishing financial information of the company as well as for informing the markets of any matters likely to have a material effect on the value of its securities, if made public. The Nasdaq First North Growth Market Rulebook also contains an obligation to disclose regularly financial information of the company and other regulations on continuous disclosure requirements, the content of which is stipulated in the Nasdaq First North Growth Market Rulebook. Disclosed information must also be kept available to the public.

Furthermore, the Securities Market Act contains certain provisions on public tender offers of securities listed on First North. These provisions regulate, among others, procedures to be complied with in connection with a tender, offer consideration and disclosure obligations in connection with the tender. Anyone who publicly offers to buy shares admitted to trading on First North may not place the holders of the securities subject to the takeover bid in an unequal position. The tenderer shall give the holders of the securities of the offeree company essential and adequate information on the basis of which the holders of the securities may make an informed assessment of the bid. The takeover bid shall be disclosed as well as notified to the holders of the securities, organizer of multilateral trading and the FIN-FSA. The offeror shall ensure that it can fulfil in full any cash consideration. The provisions of Securities Market Act concerning raising and refunding the bid shall be applied to the tenderer. Provisions of the Limited Liability Companies Act related to the redemption of minority shares are applied also to shares listed for trading on First North. Compulsory regulation regarding public tenders do not apply to securities listed in First North. For more information on the provisions of the Limited Liability Companies Act related to the redemption of minority shares, see “*Shares and Share Capital – Shareholder Rights – Redemption Obligation and Right*”.

The Criminal Code of Finland (39/1889, as amended) contains provisions relating to the breach of disclosure requirements, the misuse of insider information, unauthorized disclosure of insider information and market manipulation. Activities described in the code are criminalized. Under the MAR, the Securities Market Act and Act on Financial Supervision Agency (878/2008, as amended), the FIN-FSA has the right to impose administrative sanctions for breach of the provisions relating to disclosure requirements, misuse of inside information, market manipulation and reporting of trading by management, except for situations where a party is subject to a preliminary investigation, consideration of charges, or criminal case pending in a court of law for the same offence, or the party has received a non-appealable sentence for the same act. The FIN-FSA can, for example, issue a public warning, prohibit the person involved to trade securities or impose an administrative fine of a penalty payment.

### Trading and Settlement on First North

First North is a Nordic alternative marketplace for trading in shares. First North is maintained by the Nasdaq Helsinki. The currency for trading in, and clearing of, securities on First North is the euro, with the tick size for trading quotations depending on the share price. The tick size of shares valued at EUR 0.00–0.499 is 0.001, the tick size of shares valued at EUR 0.50–0.995 is 0.005, and the tick size of shares valued at more than EUR 1.00 is 0.01. All price information is

produced and published only in euro. Trading on First North stock market takes place in the INET Nordic trading system. The main trading sessions are pre-trading, trading and post-trading. Trades are normally cleared in Euroclear Finland's automated clearing and settlement system (Infinity2) on the second banking day after the trade date (T+2) unless otherwise agreed by the parties.

## **Finnish Book-entry System**

### ***General***

Any issuer established in the EU that issues or has issued transferable securities which are admitted to trading or have been traded on trading venues, shall arrange for such securities to be represented in book-entry form. The issuer has the right to choose the Central Securities Depository in which its securities are recorded. The Central Securities Depository maintains the book-entry system. As on the date of this Offering Circular, Euroclear Finland acts as the Central Securities Depository in Finland. Euroclear Finland maintains a book-entry securities register for both equity and debt securities. The business address of Euroclear Finland is Urho Kekkosen katu 5C, 00100 Helsinki. Euroclear Finland must keep company-specific shareholder registers of the shareholders of companies entered into the book-entry securities system.

### ***Registration***

All shareholders of the companies entered in the book-entry account system are required to open a book-entry account at an account operator or nominee-register their shares in order to effect account entries. Finnish shareholders are not allowed to deposit their shares on a nominee-registered account within the Finnish book-entry account system. For shareholders who have not transferred their shares into book-entries, a joint book-entry account is opened with Euroclear Finland with the issuer as registered holder. All transfers of securities registered with the book-entry securities system are executed as computerized book-entry transfers. The account operator confirms the book-entry by sending a statement of book-entries made to the holder of the respective book-entry account. The book-entry account holders also receive an annual statement of their holdings at the end of each calendar year.

Each book-entry account is required to contain specific information with respect to the account holder and other holders of rights to the book-entries entered into the account or of the manager of a nominee registration who manages the assets in the nominee-registered account as well as information on the account operator administering the book-entry account. The required information also includes the type and number of book-entries registered as well as the rights and restrictions pertaining to the account and to the book-entries registered in the account. A custodial nominee account is identified as such on the entry. Euroclear Finland and the account operators are required to observe strict confidentiality, while certain information in the register (such as the name and address of each account holder) is public, except for nominee-registered accounts. FIN-FSA shall be entitled upon request to obtain specified information about the nominee-registered accounts. However, the company is obliged to keep the shareholder register on display in the company's head office, or when the shares are entered in the book-entry account system, in the office of Euroclear Finland, except for nominee-registered accounts.

Each account operator is strictly liable for errors and omissions in its registration activity, and for any unauthorized disclosure of information. If an account holder has suffered a loss as a result of a faulty registration or other mistake or defect relating to the entries and the account operator cannot compensate such loss, such account holder is entitled to receive compensation from the statutory registration fund of Euroclear Finland. The capital of the registration fund must be at least 0.0048 percent of the average of the total market value of the book-entries kept in the book-entry securities system during the last five (5) years and it must not be less than EUR 20 million. The compensation to be paid to the injured party is equal to the number of damages suffered subject to a limit of EUR 25,000 per account operator. The liability of the registration fund to pay damages in relation to each incident is limited to EUR 10 million.

### ***Custody of the Shares and Nominee Registration***

A non-Finnish shareholder may authorise an account operator (or certain Finnish or non-Finnish organizations approved by Euroclear Finland) to act on its behalf. Of the shareholder rights towards the issuer, the holder of nominee-registered shares can only his/her right to draw assets, convert or exchange the share and participate in share or other rights issues. For attending General Meetings and voting in them, the holder of nominee-registered shares can apply for a temporary registration of the shares in the shareholder register, if the shareholder has the right to be entered in the shareholder register on the record date of the General Meeting. Notification on the temporary entry shall be submitted no later than on the date specified in the notice of the meeting.

Upon request by the FIN-FSA or the relevant competent company, a custodial nominee account holder is required to disclose the name of the beneficial owner of any shares registered in such custodial nominee's name, provided the beneficial owner is known, as well as the number of shares owned by such beneficial owner. If the name of the beneficial

owner is not known, the custodial nominee account holder is required to disclose corresponding information on the representative acting on behalf of the beneficial owner and to submit a written declaration of the representative to the effect that the beneficial owner of the shares is not a Finnish natural person or legal entity. For example, Euroclear Bank S.A./N.V. and Clearstream serve as custodians using their accounts in Euroclear Finland. A shareholder wishing to hold his/her shares in the book-entry securities system in his/her own name but who does not maintain a book-entry account in Finland is required to open a book-entry account at an account operator and a euro account at a bank.

### **Compensation Fund for Investors**

Under the Finnish law, investors are divided into professional and non-professional investors. The definition of professional investor includes business enterprises and public entities, which are deemed to understand the securities markets and their associated risks. In addition, an investor may also provide notice in writing that, on the basis of his/her professional skills and experience in the securities markets, he/she is a professional investor. However, natural persons are presumed to be non-professional investors.

Credit institutions and such investment services companies managing or retaining clients' assets that do not provide solely intermediation or investment advisory services or organizing of multilateral trading must belong to a compensation fund for investors. The compensation fund safeguards payment of clear, indisputable receivables that are due when an investment services company or a credit institution, for a reason other than temporary insolvency, is not capable of paying the claims of investors within a determined period of time. Only claims of non-professional investors are paid by the compensation fund. An investor is paid 90 percent of the investor's receivable, subject to a maximum amount of EUR 20,000. The fund does not compensate for losses due to a fall in equity prices or incorrect investment decisions, whereby the customer is still responsible for the consequences of his/her investment decisions. If a bank becomes insolvent, customers of a credit institution shall be compensated from the Deposit Guarantee Fund for claims up to EUR 100,000. The funds of an investor are safeguarded either through the Deposit Guarantee Fund or the compensation fund. Accordingly, the same funds of an investor do not benefit from double protection.

## TAXATION

*The following summary is based on the tax laws of Finland in effect as on the date of this Offering Circular, as well as prevailing case law and taxation practices. Changes in the tax laws and their interpretation can also have a retroactive effect on taxation. The following summary is not exhaustive and does not take into account or deal with the tax laws or case law and taxation practices of any country other than Finland. The tax laws of the tax residence of the investors and the Finnish tax legislation may affect the profit gained from the Offer Shares, and prospective investors are advised to consult a tax adviser in order to obtain information about tax consequences resulting from the subscription, ownership and disposal of the Offer Shares in Finland or elsewhere. Investors whose taxation may be affected by the legislation of another country should consult their tax advisors with respect to the tax consequences applicable to their particular circumstances.*

### **Finnish Taxation**

The following is a description of the material Finnish income and transfer tax consequences that may be relevant with respect to the Offering. The following description of Finnish domestic tax legislation relating to dividend distributions and capital gains arising from the sale of Shares is applicable to natural persons and limited liability companies both resident and non-resident in Finland.

The discussion below does not address the taxation of the Company itself or its employees or companies owned by them nor tax consequences of other shareholders whose taxation is subject to special regulations. Such shareholders include, among others, entities exempt of income tax, non-business entities, general partnerships, limited partnerships, natural persons taxed in accordance with the Act on the Taxation of Business Income and natural persons holding shares on an equity savings account in accordance with the legislation applied as of 2020. Further, the discussion below does not address tax consequences of resident shareholders of controlled foreign companies, special regulations applied to mergers and acquisitions nor inheritance or gift taxation in Finland.

This description is based on the following acts:

- Finnish Income Tax Act (*Tuloverolaki* 1535/1992, as amended);
- The Finnish Act on the Taxation of Business Income (*Laki elinkeinotulon verottamisesta* 360/1968, as amended);
- The Finnish Act on the Taxation of Income of a Person Subject to Limited Tax Liability (*Laki rajoitetusti verovelvollisen tulon verottamisesta* 627/1978, as amended);
- The Finnish Transfer Tax Act (*Varainsiirtoverolaki* 931/1996, as amended); and
- The Act on Taxation Procedure (1558/1995, as amended).

In addition, relevant case law as well as decisions and statements made by the tax authorities in effect and available on the date of this Offering Circular have been taken into account. Tax laws, case law and statements made by the tax authorities are subject to change, which could affect the tax consequences described below, and the changes may also have a retroactive effect.

### **General**

Taxpayer's tax liability determines the scope of Finland's taxing power. Persons with tax residency are subject to taxation of their worldwide income in Finland. Persons with non-residency are taxed on Finnish source income only. In addition, any income received by a non-resident from a permanent establishment located in Finland is subject to taxation in Finland. Finnish tax treaties may limit the applicability of the domestic tax legislation and also preclude the right to tax the non-resident's income that is received from Finland.

Generally, a natural person is deemed resident in Finland for tax purposes when such individual stays in Finland for more than six consecutive months or if the actual residence or home of such individual is located in Finland. A Finnish citizen who has left Finland to live in a foreign country is deemed resident in Finland for tax purposes during the tax year of their relocation and three following years, unless they can demonstrate that no material ties between them and Finland have existed during the relevant tax year. Earned income is taxed at progressive rates. Capital income is taxed at a rate of 30 percent up to EUR 30,000 during a calendar year, and the tax rate for the exceeding amount is 34 percent. Corporate entities established under the laws of Finland are regarded as residents of Finland for tax purposes and are subject to corporate income tax on their worldwide income. As of 1 January 2021, a foreign entity can be considered as a resident in Finland if its de facto location of governance is deemed to be in Finland. However, a transition period is applied to common funds as defined in Chapter 1 Section 2 Subsection 17 of the Act on Common Funds (213/2019, as amended) and alternative investment funds defined in Section 1 of the Act on Alternative Investment Fund Managers (162/2014, as amended) established or registered in another member country of the EEA, and due to this, a corresponding rule is applied to them starting from taxation for the fiscal year 2023. Non-residents are liable to pay tax for the income of permanent establishments located in Finland. Currently, the corporate income tax rate is 20 percent.

The following is a summary of certain Finnish tax consequences relating to the purchase, ownership and disposal of the Shares by Finnish resident and non-resident shareholders.

### **Personnel Offering**

Under the Finnish Income Tax Act, employers may offer new shares for subscription by employees at a discount not exceeding 10 percent without arising taxable benefits. As a main rule, the discount is calculated as the difference between the fair value and subscription price. The shares offered by the employer shall be new issued shares and shares shall be offered to the majority of personnel in order to fulfill the prerequisites for tax exemption. If other conditions of the Finnish Income Tax Act are satisfied and the discount exceeds 10 percent of the fair value, such exceeding amount of the discount is considered as taxable income of the employee subject to withholding of tax as salary. The taxable benefit arises when the employee subscribes for the new share offered in the Personnel Offering.

According to the Company's view, the Personnel Offering is subject to Section 66 of the Finnish Income Tax Act and the discount is not taxable income. If it were regarded that, contrary to the Company's view, the tax-exemption of personnel offerings of the Finnish Income Tax Act does not apply to the Personnel Offering, the benefit subject to taxation would be taken into account in tax retained in advance and notified to the Tax Administration as provided by tax legislation. In the Personnel Offering, the tax treatment of persons subscribing for Offer Shares depends on whether the subscriber is a natural or legal person, and on other matters relating to the tax status of the subscriber.

### **Taxation of Dividends and Return of Capital**

The tax treatment of dividend income is dictated by whether the company distributing the dividend is publicly listed or not. A publicly listed company as defined in Section 33 a Subsection 2 of the Finnish Income Tax Act (a "**Listed Company**") means a company whose shares are admitted to trading:

- in a regulated market as set forth in the Finnish Act on Trading in Financial Instruments (1070/2017, as amended);
- in another regulated market supervised by authorities outside the EEA; or
- in a multilateral trading facility as set forth in the Finnish Act on Trading in Financial Instruments, provided that the share has been admitted to trading by application of the company or with its consent.

First North is a multilateral trading facility as referred to above; hence the provisions regarding distribution of dividend of a publicly traded company are applied to the taxation of the dividend income from the Company.

Distribution of funds from unrestricted equity funds (Chapter 13, Section 1, Subsection 1 of the Finnish Limited Liability Companies Act) by a Finnish Listed Company is taxed as distribution of dividends. Therefore, the following applies also to the distribution of funds from the Company's reserve for unrestricted equity.

### ***Resident Individuals***

85 percent of dividends paid by Listed Company to an individual shareholder is considered capital income of the recipient, the remaining 15 percent being tax-exempt. At present, the applicable tax rate is 30 percent for capital income of a maximum of EUR 30,000 during a calendar year, and the tax rate for the exceeding amount is 34 percent.

A Listed Company distributing dividends is obligated to withhold tax from dividends paid to resident individuals or estates. As on the date of this Offering Circular, the tax withheld is 25.5 percent of the dividend. The tax withheld by the Company is credited in the final taxation of the recipient of the dividend.

When the shares on a nominee account are held by a Finnish resident natural person, the amount of the advance tax withholding is 50 percent if the identification information of the recipient of the dividends is not obtained by the dividend distributing Listed Company or the registered authorised intermediary closest to the recipient of the dividend, or if the intermediary is not able to provide the Finnish Tax Administration with such information.

The resident natural person receiving the dividend is liable to verify the amount of dividend and the withholding on his pre-completed tax return and, if needed, to correct the amounts on the tax return.

### ***Finnish Limited Liability Companies***

Dividends paid by a Listed Company on the shares that are owned by another Finnish Listed Company are generally tax-exempt. However, if the shares are included in the investment assets of the shareholder (only banks, insurance companies

and pension institutions may have such investment assets), 75 percent of the dividend is taxable income while the remaining 25 percent is tax-exempt.

Dividends received from a Finnish Listed Company by a Finnish corporation which is not a Listed Company are in general 100 percent taxable income. However, in cases where the non-listed corporation directly owns 10 percent or more of the share capital of the Listed Company paying dividends, the dividend received on such shares is tax-exempt, provided that the shares are not included in the investment assets of the shareholder. If the shares are included in the investment assets of the shareholder, 75 percent of the dividend is taxable income while the remaining being tax-exempt.

When the shares on a nominee account are held by a Finnish corporation, the amount of the advance tax withholding is 50 percent if the required identification information of the recipient of the dividends is not obtained by the dividend distributing Listed Company or the registered authorised intermediary closest to the recipient of the dividend or if the intermediary is not able to provide the Finnish Tax Administration with such information.

### *Non-residents*

In general, a Finnish company paying dividends to a non-resident investor is required to withhold tax at source in connection with the payment of the dividend, and no other tax on the dividends is required to be paid in Finland.

At present, the tax at source rate for dividends paid to non-residents is 20 percent in Finland. In the case of non-resident natural persons and other non-corporate beneficiaries, the present tax at source rate is 30 percent in Finland. The tax at source may be lower or zero under the applicable tax treaty.

However, tax at source is not applicable to dividends paid to non-resident companies meant in Article 2 of the Parent-Subsidiary Directive (2011/96/EU, as amended) that are located in an EU member state, which have a direct minimum holding of 10 percent of the capital of the Finnish company distributing the dividend, provided that they fulfil the other conditions for granting the benefits under the Parent-Subsidiary Directive (2011/96/EU, as amended).

Dividends paid to certain non-resident corporate entities residing within the EEA are either fully tax exempt or taxed at a reduced tax at source rate, depending on how the dividend would be taxed if paid to a corresponding Finnish corporate entity. In Finland, no withholding tax is levied on dividends paid by a Finnish company to a non-resident company provided that (i) the company receiving the dividend is resident in a country within the EEA; (ii) the Council Directive on administrative cooperation in the field of taxation (2011/16/EU, as amended), or an agreement regarding executive assistance and exchange of information in tax matters within the EEA, is applicable to the home country of the recipient of the dividend; (iii) the corporate entity receiving the dividend corresponds to a Finnish corporate entity as defined in Section 33 d, Subsection 4, of the Finnish Income Tax Act or in Section 6 a of the Finnish Act on the Taxation of Business Income; (iv) the dividend would be fully tax exempt if paid to such corresponding Finnish company or entity; and (v) the company receiving the dividend provides evidence (in the form of a certificate issued by the home country's tax authorities) that the paid tax at source could not de facto be fully credited in the home country pursuant to the applicable double taxation treaty.

Notwithstanding the above, dividend income is only partly tax exempt if the recipient company does not hold directly at least 10 percent of the capital in the distributing company and the shares in the distributing company belong to the investment assets of the recipient company. In such situations, the current applicable tax at source rate is 15 percent provided that the entity receiving the dividend is a resident in a country satisfying the requirements described in sections (i) and (ii) above and the entity complies with the requirements set forth in section (iii) above. Depending on the applicable double taxation treaty, the applicable withholding tax rate can also be less than 15 percent.

When shares in a Finnish company are held through a nominee account, a Finnish company pays dividends to the nominee account managed by the custodian, who then delivers the dividend payment to the beneficial owners. Since 2021, a lower tax at source rate specified in a tax treaty can be applied to dividends paid for nominee-registered shares if the company or registered custodian distributing the dividend has identified with prudence the country of residence of the recipient of the dividend and ensured the applicability of the tax treaty as stipulated in more detail in Section 10 b of the Finnish Act on the Taxation of Income of a Person Subject to Limited Tax Liability (627/1978, as amended). In addition, the listed company and registered custodian are required to deliver detailed identification information of the recipient of the dividend to the Tax Administration as specified in more detail in Section 10 c of the Finnish Act on the Taxation of Income of a Person Subject to Limited Tax Liability (627/1978, as amended) and section 15 e of the Act on Taxation Procedure (1558/1995, as amended). If the detailed identification is not delivered, a tax at source rate of 35 percent must be levied on the dividend paid for nominee-registered shares. In such an event, the recipient of the dividend can apply for a refund of the withholding tax from the Tax Administration to the extent that there are grounds for applying a lower tax at source rate.



If the recipient of the dividend is a non-resident natural person located in the EEA, he or she can require, subject to certain conditions, that the dividend paid by a Finnish entity is taxed in accordance with the Act on Taxation Procedure instead of tax at source.

## **Taxation of Capital Gains**

### ***Finnish Resident Natural Persons***

Capital gain or loss arising from the sale of shares (other than in the context of business activities) is taxable as capital gain or as capital loss deductible from capital gains for resident individuals. Capital gains are currently taxed at a rate of 30 percent (however, should overall capital income exceed EUR 30,000 during the calendar year, the tax rate for the exceeding amount is 34 percent).

Any capital gain or loss is calculated by deducting from the sales price the original acquisition cost and expenses related to the sale. Alternatively, individuals may, instead of deducting the actual acquisition costs, choose to apply a so-called presumptive acquisition cost, which is equal to 20 percent of the sales price or, if the shares have been held for at least 10 years, 40 percent of the sales price. If the presumptive acquisition cost is used instead of the actual acquisition cost, any expenses related to the sale are deemed to be included therein and, therefore, may not be separately deducted from the sales price.

A capital loss arising from the sale of shares held by natural persons is deductible primarily from the resident individual's capital gains and secondarily from other capital income arising in the same year and during the following five calendar years. A capital loss is not taken into account when calculating the capital income deficit for the calendar year in question, and such capital losses do not affect the amount of the deficit credit deductible from earned income. However, capital gains arising from the sale of assets during the calendar year are exempt from tax if the total proceeds of all assets sold do not, in the aggregate, exceed EUR 1,000 (excluding proceeds of assets the sale of which is tax-exempt pursuant to Finnish tax laws), and correspondingly, capital losses are not tax deductible if the total acquisition cost of all assets sold do not exceed EUR 1,000.

An individual resident in Finland must enter information regarding the acquisition and sale of securities, such as the Shares, occurred during the relevant calendar year on the pre-completed tax form.

### ***Finnish Limited Liability Companies***

The following applies only to Finnish limited liability companies taxed in accordance with the Finnish Business Income Tax Act. Generally, a capital gain arising from shares is taxable income of the limited liability company.

As of the fiscal year 2020, capital gains from sales of shares are calculated solely as provided in the Act on the Taxation of Business Income in the case of most Finnish resident limited liability companies. Shares held by such company can be included in various assets classes, such as fixed, current, investment and financial assets, and also other assets as of the fiscal year 2020. The tax treatment of sales of shares and impairment varies depending on the asset class.

Capital gain (and capital loss) is calculated by deducting the total amount of the actual acquisition price and selling costs from the selling price.

In the case of most limited liability companies, any capital loss can in general be deducted from other business income subject to requirements and restrictions applied to each asset class. Confirmed losses in the source of business income can be deducted from the taxable income in the relevant source of business income over the ten years following the loss incurred in accordance with the rules applied to loss relief. In the case of most companies, capital losses from the transfer of shares included in other assets, for example, can be deducted only from capital gains in the same asset class during the fiscal year and the following five fiscal years.

Capital gains received by a company from fixed assets belonging to the business activities, which the company has held for at least one year and entitle to at least 10 percent of the company's share capital, can be exempt of tax subject to certain requirements. In this case, capital losses from the transfer of such shares exempt of tax are non-deductible in taxation. Capital loss from other shares do not exempt of tax included in the fixed assets is deductible only from taxable gains from shares included in the fixed assets during the fiscal year and the following five fiscal years.

### ***Non-residents***

Non-residents are in general not subject to Finnish tax on capital gains realised on the sale of the shares in Finnish companies, unless the non-resident taxpayer is deemed to have a permanent establishment in Finland for income tax purposes

as referred to in the Income Tax Act and an applicable tax treaty and the shares are considered to be assets of that permanent establishment, or more than 50 percent of the total assets of the transferred company are comprised of one or more real estate properties which are located in Finland.

### **Finnish Transfer Tax**

No transfer tax is payable in Finland in connection with the issue of and subscription for new shares in Finland. Further, no transfer tax is in general payable in Finland on transfers of shares which are subject to public trading, such as shares listed on First North, if the transfer is made against a fixed monetary consideration. The tax exemption also requires that an investment firm, a foreign investment firm or other entity offering investment services, as defined in the Finnish Act on Investment Services (747/2012, as amended) is a broker or a party to the transaction, or that the transferee has been approved as a trading party in the market in which the transfer is executed. If the broker or the counterparty to the transaction is not a security broker defined in the Finnish Transfer Tax Act (meaning the broker is a foreign security broker without a branch or office in Finland), the tax exemption requires that the transferee submits a notification of the transfer to the Finnish Tax Administration within two months of the transfer, or that the broker submits an annual declaration to the Finnish Tax Administration as set forth in the Act on Tax Assessment Procedure.

Certain separately defined transfers, such as those relating to equity investments or distribution of funds or transfers, in which the consideration for the shares consists wholly or partially of work performance, are not covered by the tax exemption. In addition, the exemption does not apply to transfers of shares carried out in order to fulfil the obligation to redeem minority shares under the Finnish Limited Liability Companies Act. In accordance with special rules and subject to certain conditions, exemption of tax is also applicable to listings, while generally exemption of tax does not apply to a transfer based on offer made after trading in the securities has ended or before trading has commenced.

If the acquisition or transfer of the shares does not fulfil the criteria for a tax-exempt transfer, the transfer tax of 1.6 percent of the selling price is payable by the purchaser. A tax rate of 2 percent is applied to transfers by real estate companies as defined in the Finnish Transfer Tax Act. In case the purchaser is neither a tax resident in Finland nor a Finnish branch or office of a foreign credit institution, a foreign investment firm, a foreign fund management company, or of an EEA alternative investment fund manager, the seller must collect the transfer tax from the purchaser and pay the tax to the Finnish Tax Administration. If a Finnish investment firm, a Finnish credit institution or a Finnish branch or office of a foreign credit institution or investment firm acts as a broker, it is liable to collect the transfer tax from the purchaser and to pay the tax to the state. If neither party to the transaction is resident in Finland or a foreign credit institution's or an investment firm's or a fund management company or an EEA alternative investment fund manager's Finnish branch or office, transfer tax will not be payable on the transfer of shares, excluding transfers of shares in a Finnish real estate company, mutual real estate investment company, real estate holding company or other real estate limited liability company.

No transfer tax is collected if the amount of the tax is less than 10 euros.

## PLAN OF DISTRIBUTION OF THE OFFERING

### Placing Agreement

Administer, the Lead Manager and the Selling Shareholder are expected to sign a placing agreement related to the Offering on or about 20 December 2021 (the “**Placing Agreement**”).

The Placing Agreement includes customary conditions that entitle the Lead Manager to terminate the Placing Agreement in certain situations and subject to certain preconditions. Such situations involve certain significant adverse changes in Administer’s business, management, financial position, operating results and future prospects, as well as certain changes in, among others, national or international political or economic conditions.

Administer is expected to give customary warranties in the Placing Agreement to the Lead Manager related to, among other things, Administer’s businesses, financial information, compliance with laws and regulations, the Shares and the content of this Offering Circular. According to the Placing Agreement, the Company will commit to indemnify and reimburse the Lead Manager for possible costs and liabilities in connection with the Offering.

The Offering consists of (i) the Public Offering to private individuals and entities in Finland, (ii) to institutional investors in Finland and in private placement arrangements internationally and (iii) the Personnel Offering to the employees employed by the Company or its group companies or affiliated companies during the subscription period in Finland, and the members of the Board of Directors and of the Management Team of the Company and its group companies and affiliated companies in Finland. The Offer Shares have not been, and will not be, registered under the U.S. Securities Act.

### Lock-up

The Company is expected to commit, during the period that will end on the date that falls 180 days from the commencement of trading in the Offer Shares, not to offer, pledge, sell, commit to sell, sell any option rights or commit to purchase, purchase any option right or right to sell, assign any option right or warrant to purchase, lend or otherwise transfer or dispose of (or publicly announce of such measures), directly or indirectly, any Shares or any securities they hold or subscribe for in the Offering entitling to Shares or exchangeable for or convertible into or exercisable for Shares, or enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Shares, whether any such transactions are to be settled by delivery of the Shares or other securities, in cash or otherwise, or present a proposal to the Company’s shareholders on implementing measures mentioned above without the prior written consent of the Lead Manager. The lock-up does not apply to the measures related to the execution of the Offering nor to the transfer of shares to be issued under any employee incentive schemes created in accordance with the common market practice, nor to shares given as a means of payment in acquisitions, provided that the recipients of the shares commit to an equivalent lock-up for the remaining duration of the Company’s lock-up period.

A prerequisite for participation in the Personnel Offering is that the subscriber commits to the lock-up. In accordance with the lock-up restriction, the persons participating in the Personnel Offering undertake that they will not, during the period that will end on the date that falls 365 days from the Completion Decision, without the prior written consent of the Lead Manager, issue, offer, pledge, sell, commit to sell, sell any option rights or commit to purchase, purchase any option rights or right to sell, assign any option right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Shares or any securities they hold or subscribe for in the Offering entitling to Shares or exchangeable for or convertible into or exercisable for Shares, or enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Shares, whether any such transactions are to be settled by delivery of the Shares or other securities, in cash or otherwise. The lock-up restrictions related to the Personnel Offering are binding without regards to whether they are registered on the book-entry accounts of the shareholders or not.

The Selling Shareholder and the Company’s other shareholders are expected to undertake that they will not, during the period that will end on the date that falls 180 days from the Completion Decision, without the prior written consent of the Lead Manager, issue, offer, pledge, sell, commit to sell, sell any option rights or commit to purchase, purchase any option or right to sell, assign any option right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Shares or any securities they hold or subscribe for in the Offering entitling to Shares or exchangeable for or convertible into or exercisable for Shares, or enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Shares, whether any such transactions are to be settled by delivery of the Shares or other securities, in cash or otherwise. These lock-up restrictions are binding without regards to whether they are registered on the book-entry accounts of the or not. The undertaking is not applied to selling Sale Shares in the Offering or any shares which the party giving the undertaking subscribes for in the Offering or acquires in First North after the first day of trading in the Company’s shares.

## Over-allotment Option

In connection with the Offering, if the Share Issue is oversubscribed, the Company's Board of Directors are expected to give Evli, who is acting as the Lead Manager, the right to increase the number of Offer Shares by a maximum of 620,000 New Shares, solely to cover possible oversubscription concerning the Offering (the "**Over-allotment Option**"). If the Over-allotment Option is exercised in full, a maximum of 2,884,110 New Shares can be issued and 1,900,890 Sale Shares can be sold in the Offering (4,785,000 Offer Shares in total), and as a result, the Offer Shares would account for approximately 33.7 percent of all shares and votes in the Company immediately after the Offering.

## Subscription Undertakings

Certain professional investors listed below in this section have, between 12 November 2021 and 27 November 2021, agreed to be cornerstone investors in the Offering (the "Cornerstone Investors"). The Cornerstone Investors have each individually committed to subscribe for Offer Shares in the Offering with the Subscription Price in the total value of EUR 12.6 million, subject to customary terms and conditions. In accordance with the terms and conditions of the subscription commitments, the Company has committed to allocate in full to each of the Cornerstone Investors the amount of Offer Shares corresponding to their subscription commitments, and due to this, the Cornerstone Investors have an allocation priority over other investors. Therefore, the portion reserved for the Cornerstone Investors represents approximately 62.2 percent of the Offer Shares without the Over-allotment Option (approximately 54.2 percent assuming that the Over-allotment Option is exercised in full).

The Cornerstone Investors have committed to subscribe for the Offer Shares as follows:

- Ilmarinen Mutual Pension Insurance Company for EUR 5 million;
- Aurator Asset Management Ltd for EUR 1.6 million;
- Elo Mutual Pension Insurance Company for EUR 1.5 million;
- Oy Fincorp Ab for EUR 1.0 million;
- Oy Talcom Ab for a EUR 0.5 million;
- Oy Cata-Holding Ab for EUR 0.5 million;
- Sijoitus Oy MC Invest Ab for EUR 0.5 million;
- Jouni Monto Oy for EUR 0.2 million;
- Eyemaker's Finland Oy for EUR 0.2 million;
- Vikakono Oy for EUR 0.2 million;
- K22 finance Oy for EUR 0.2 million;
- Suotuuli Oy for EUR 0.2 million;
- Oy Novatum Ab for EUR 0.2 million;
- Taloustieto Incrementum Oy for EUR 0.2 million;
- Rantanplan Oy for EUR 0.2 million;
- Rantalainen-Yhtiöt Oy for EUR 0.2 million;
- Sulovilen Oy for EUR 0.1 million; and
- Harry Lindström for EUR 0.1 million.

The subscription commitments of the Cornerstone Investors represent approximately 62.2 percent of the total number of Offer Shares without the Over-allotment Option assuming that (i) the Selling Shareholder sells the maximum number of Sale Shares and (ii) the Company issues 2,264,110 New Shares (approximately 54.2 percent assuming that the Over-Allotment Option is exercised in full).

## Fees and Expenses

Administer expects that the fees and expenses payable by it in relation to the Offering will amount to approximately EUR 1.0 million, including the fees and expenses payable to the Lead Manager.

The Selling Shareholder expects that the fees and expenses payable by it in relation to the Offering will amount to approximately EUR 30 thousand.

## Interests Related to the Offering

The fees to be paid to the Lead Manager are, in part, linked to the proceeds from the Offering.

The Lead Manager and/or its affiliates have provided, and may provide in the future, advisory, consulting and/or banking services to the Company in the ordinary course of business. In connection with the Offering, the Lead Manager and/or

investors within its affiliates may acquire Shares on their own account, hold, purchase and sell the Offer Shares for their own account and offer or sell such securities otherwise than in connection with the Offering subject to the legislation and regulations applicable. The Lead Manager does not intend to disclose the scope of such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Selling Shareholder will sell Sale Shares in the Offering. For more information on the Selling Shareholder, see Annex A to this Offering Circular.

### **Dilution of Ownership**

In the Offering, the maximum number of Shares may increase to 13,574,110 as a result of the issue of New Shares assuming that the maximum number of the New Shares is offered and subscribed for (to 14,194,110 Shares assuming that the Over-allotment Option is exercised in full). If the Company's present shareholders would not subscribe for the Offer Shares or sell the Sale Shares in the offering, their total ownership share would be diluted by approximately 16.7 percent assuming that the maximum number of the New Shares is offered and subscribed for (by approximately 20.3 percent assuming that the Over-allotment Option is exercised in full).

The Company's equity per Share was EUR 51.12 as on 30 September 2021 (the split of Shares resolved on 4 November 2011 and acquisition of Tilikamut Oy resolved on 15 October 2021 have not been taken into account). The Subscription Price of the Offering is EUR 4.86 per Offer Share in the Public Offering and the Institutional Offering. In the Personnel Offering, the Subscription Price is 10 percent lower than the Subscription Price, i.e. 4.38 EUR per Offer Share.

### **Agreement on Serving as a Certified Adviser**

The Company entered on 1 December 2021 into an agreement with Evli on services provided by the latter as a certified adviser. According to the agreement, Evli acts as the Company's certified adviser with customary terms and conditions under the Nasdaq First North Growth Market Rulebook. The agreement defines the services offered by the Certified Adviser and the allocation of the rights, duties and liabilities of the parties.

### **Information to Distributors**

Solely for the purposes of the product governance requirements contained within: (a) MiFID II; (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, regardless of the fact whether liability is based on infringement, contract or other reason, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the "**Target Market Assessment**"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II. Distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. In the Offering, the Target Market Assessment does not have an effect on contractual, statutory or regulatory selling restrictions.

The Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares. Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.

## **LEGAL MATTERS**

Consultation of certain legal matters in connection with the Offering will be passed upon the Company by Bird & Bird, Attorneys Ltd.

## DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection during the validity period of this Offering Circular on business days at 9:00 a.m. – 4:00 p.m. (Finnish time) at the Company's registered address Itämerenkatu 5, 00180 Helsinki, Finland and on the Company's website at [www.administergroup.com/IPO](http://www.administergroup.com/IPO):

1. The Company's Articles of Association in effect as on the date of this Offering Circular;
2. This Offering Circular;
3. The Company's audited consolidated financial statements for the financial years ended 31 December 2020, 31 December 2019 and 31 December 2018 and the auditor's reports on them;
4. The Company's unaudited financial information for the nine months ended 30 September 2021, including comparative figures for the nine months ended 30 September 2020; and
5. An independent auditor's assurance report on the compilation of Pro Forma Financial Information included in this Offering Circular.

## DOCUMENTS INCORPORATED BY REFERENCE

The Company's audited consolidated financial statements and the auditor's reports for the financial periods ended 31 December 2020, 31 December 2019 and 31 December 2018, as well as the unaudited financial information for the nine months ended 30 September 2021, including comparative figures for the nine months ended 30 September 2020, are incorporated in this Offering Circular by reference. Other information presented in the documents incorporated in this Offering Circular by reference is not considered to be relevant for the investors or it is found elsewhere in this Offering Circular. The documents incorporated by reference are available on the Company's website at [www.administer-group.com/IPO](http://www.administer-group.com/IPO).

### Document

### Link to the document

Administer's unaudited financial information for the nine months ended 30 September 2021, including comparative figures for the nine months ended 30 September 2020

[Unaudited financial information for the nine months ended 30 September 2021, including comparative figures for the nine months ended 30 September 2020](#)

Administer's audited consolidated financial statements for the financial period ended 31 December 2020 and the auditor's report on them

[Audited consolidated financial statements for the financial period ended 31 December 2020 and the auditor's report on them](#)

Administer's audited consolidated financial statements for the financial period ended 31 December 2019 and the auditor's report on them

[Audited consolidated financial statements for the financial period ended 31 December 2019 and the auditor's report on them](#)

Administer's audited consolidated financial statements for the financial period ended 31 December 2018 and the auditor's report on them

[Audited consolidated financial statements for the financial period ended 31 December 2018 and the auditor's report on them](#)

The auditor's report for the financial periods ended 31 December 2018 and 31 December 2019 for auditing of the cash flow statement for the financial period ended 31 December 2018

[Auditor's report for the financial periods ended 31 December 2018 and 31 December 2019 for auditing of the cash flow statement for the financial period ended 31 December 2018](#)



## ANNEX A – THE SELLING SHAREHOLDER

The table below sets forth the Company's shareholder who offers Sale Shares in the Offering, and the number of Sale Shares to be sold in the Offering and the ownership share of the Selling Shareholder immediately after the Offering (including the issue of New Shares), assuming that the Selling Shareholder will not subscribe for the Offer Shares. The address of the Selling Shareholder is Mikonkatu 9, 00100 Helsinki, Finland.

<b>Selling Shareholder</b>	<b>Sale Shares</b>	<b>Number of Shares before the Offering</b>	<b>Number of Shares after the Offering</b>	<b>% of all Shares and votes</b>
Bocap SME Achievers Fund II Ky	1,900,890	1,900,890	0	0

**ANNEX B – INDEPENDENT AUDITOR’S ASSURANCE REPORT ON THE COMPILATION OF PRO  
FORMA FINANCIAL INFORMATION INCLUDED IN THE OFFERING CIRCULAR**



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To the Board of Directors of Administer Plc

## **INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF THE PRO FORMA FINANCIAL INFORMATION INCLUDED IN THE OFFERING CIRCULAR**

We have completed our assurance engagement to report on the compilation of pro forma financial information of Administer Plc which has been compiled by the Board of Directors of Administer Plc. The unaudited pro forma financial information includes pro forma income statements for the nine months ended 30 September 2021 and the financial period ended 31 December 2020 and related notes set forth in section "Unaudited Pro Forma Financial Information" of Administer Plc's Offering Circular dated 3 December 2021. The principals applied by the Board of Directors of Administer Plc in compiling the pro forma financial information are specified in Annex 20 of the Commission Delegated Regulation (EU) 2019/980 and described in section "Unaudited Pro Forma Financial Information" of the Offering Circular.

The pro forma financial information has been compiled by the Board of Directors of Administer Plc to illustrate the impact of the transaction and related arrangements set out in the Offering Circular on Administer Plc's operating results for nine months ended 30 September 2021 and the financial period ended 31 December 2020, as if the transactions would have been carried out as on 1 January 2020 in respect of the pro forma income statements. As part of this process, information of the Company's operating results has been extracted by the Board of Directors of Administer Plc from the Company's consolidated financial statements for the financial period ended 31 December 2020, on which an audit report has been published, and the Company's financial information for the nine months ended 30 September 2019, for which a general audit report has not been published.

### **Responsibility of Administer Plc for the Pro Forma Financial Information**

The Board of Directors of Administer Plc is responsible for compiling the pro forma financial information in accordance with the Commission Delegated Regulation (EU) 2019/980.

### **The Auditor's Independence and Quality Control**

We are independent from the Company in accordance with the ethical requirements applicable in Finland in relation to the assignment we perform, and we have fulfilled other ethical obligations in accordance with these requirements.

The auditor applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **The Auditor's Responsibilities**

Our responsibility is to express an opinion, as required by section 3 of Annex 20 of Commission Delegated Regulation (EU) 2019/980, as to whether the pro forma financial information has been compiled, in all material respects, by the Board of Directors of Administer Plc on the principals presented and whether those principles are consistent with the accounting policies applied by the issuer.

We conducted our assignment in accordance with International Standard on Assurance Engagements (ISAE 3420) Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the auditor plans and performs procedures to obtain reasonable assurance as to whether the pro forma financial information has been compiled by the Board of Directors of Administer Plc, in all material respects, in accordance with Commission Delegated Regulation (EU) 2019/980.

For the purposes of this assignment, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this assignment, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of the pro forma financial information included in the Offering Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Company as if the event or transaction would have occurred at an earlier date selected for the purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would be as presented.

A reasonable assurance assignment to report on whether the pro forma financial information has been compiled, in all material respects, according to the principals presented and that those principals comply with the accounting policies of the issuer involves performing procedures to assess whether the principals used by the Board of Directors of Administer Plc in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient amount of appropriate evidence about whether:

- the principals presented have been consistently applied in the pro forma adjustments; and
- the resulting pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the auditor's judgment, having regard to the auditor's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant assignment circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

To our knowledge, the evidence we have obtained is sufficient and appropriate to provide a basis for our statement.

### **Statement**

As our statement we present that,

- the pro forma financial information has been properly compiled on the principals stated in the section "Unaudited Pro Forma Financial Information" of the Offering Circular dated 3 December 2021; and
- the principals stated are consistent with the accounting policies applied by Administer Plc.

### **Restriction to the Distribution and the Use of the Report**

This report has been provided solely for inclusion in in the Offering Circular prepared in accordance with the Regulation (EU) 2017/1129 of the European Parliament and the Commission Delegated Regulation (EU) 2019/980.

In Helsinki, 2 December 2021

Ernst & Young Oy,  
an auditing firm

Johanna Winqvist-Ilkka,  
Authorised Public Accountant, KHT

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**THE LEGAL ADVISOR TO THE COMPANY**

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