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Business Review

January-March 2022



January-March in Brief

- Business performance was disappointing during the quarter, although we had successes in many areas
- Project revenue was not at the targeted growth path due to virtual events business
- Recurring revenue growth accelerated
- Profitability decrease was caused by planned investments and the weak volume of project sales
- Initiated growth efforts are well under control and we will scale them as sales is successful



Revenue growth 5%

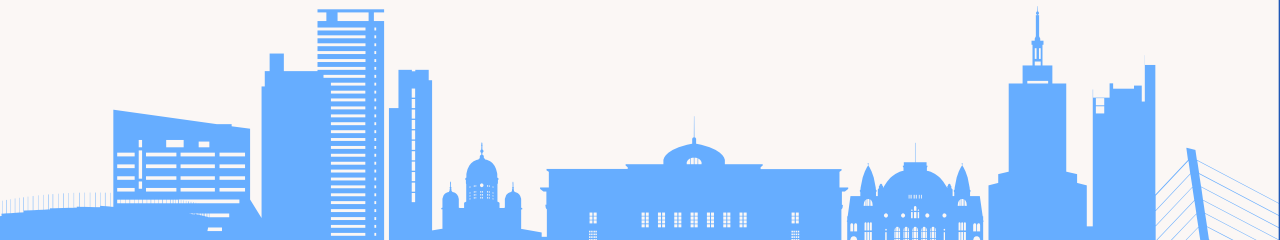


EBITA% 10% (26%)

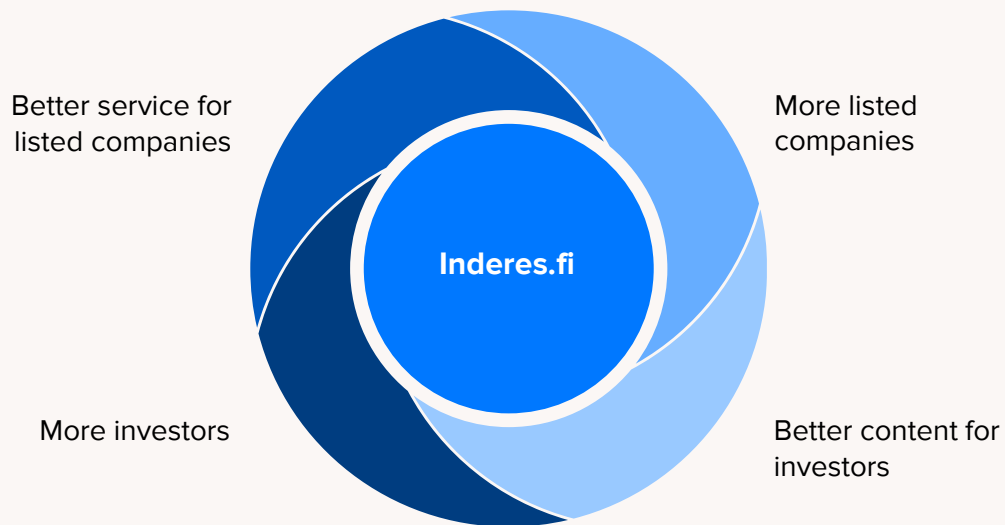


Share of recurring revenue 53.5% (44.5%)

The Inderes Platform



All listed companies



Inderes Community



January–March 2022

190
(+17%)

**Number of listed
company customers**

92
(+44%)

**Personnel at end of
the period**

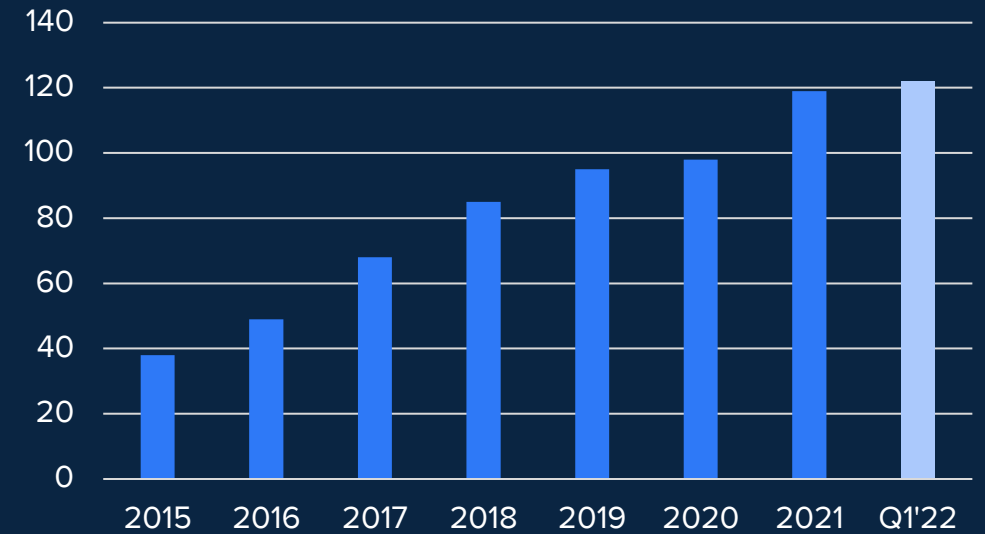
76,000
(+23%)

**Number of active
Community members**

Research Services

- Contract portfolio for commissioned research grew by 17% and revenue grew strongly
- IPOs actualized in 2021 and the launching of new contracts will feed growth in 2022
- The team continues to perform consistently despite the uncertainty of the capital markets, the bids directed at our customer companies and the delays in IPO projects

Contract portfolio of commissioned research, contracts



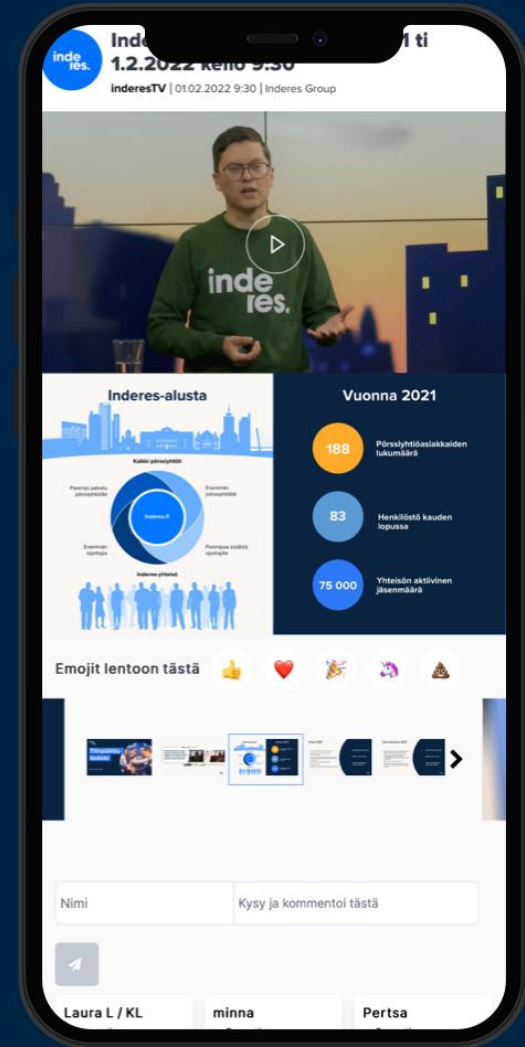
Virtual Events (Flik)

- Revenue decreased from the previous year
 - Sales increased in listed company customers due to interim report and AGM productions, but decreased in other customer segments
 - The share of other customers in the business was low as strategic focus was on listed companies
- The sales team has activated to turn revenue back to growth in H2
- We must be able to cope with rapid changes in the operating environment
 - Changes in the pandemic situation have caused severe fluctuations in short-term demand over the past 2 years
 - The Ukrainian crisis affects activity in the event industry in terms of major events
 - Large CMD productions transferred to H2



IR Solutions

- Revenue increased strongly and the commercialization of R&D investments progresses
- Some 50% market share was achieved in AGM solutions in Finland in two years
- Sales of IR website solutions and advisory services increased strongly and we strengthened the product with new features
- Strategic cooperation with HCA is an important step toward the commercialization of our technologies in Denmark and Norway, the cooperation also supports the expansion of Inderes Sweden



Figures and outlook

Income Statement January–March 2022

- Revenue grew by 5% (79%)
- Share of recurring revenue was 53% (44%)
 - Growth in recurring revenue accelerated to 26% (13%)
 - Change in project revenue was -12% (236%)
- Growth investments were visible as increased costs
 - Materials and services costs decreased by 18% due to the drop in project revenue and the growth of own personnel
 - The number of personnel grew by 42%, being on average 88 (62) employees, and personnel costs increased by 47%
 - The increase in other operating expenses by EUR 0.1 million was related to studio and office expenses and other expenses generated through personnel growth
- EBITA totaled EUR 0.3 million (0.8) and accounted for 10% (26%) of revenue

MEUR	Q1/2022	Q1/2021	Change
Revenue	3.224	3.083	5%
Other operating income	0.001	0.001	-44%
Materials and services	-0.369	-0.448	-18%
Personnel costs	-1.979	-1.347	47%
Other operating expenses	-0.514	-0.456	13%
EBITDA	0.362	0.832	-56%
Depreciation according to plan	-0.034	-0.028	22%
EBITA	0.328	0.804	-59%
Depreciation of consolidated goodwill	-0.085	-0.085	0%
EBIT	0.243	0.719	-66%

Outlook

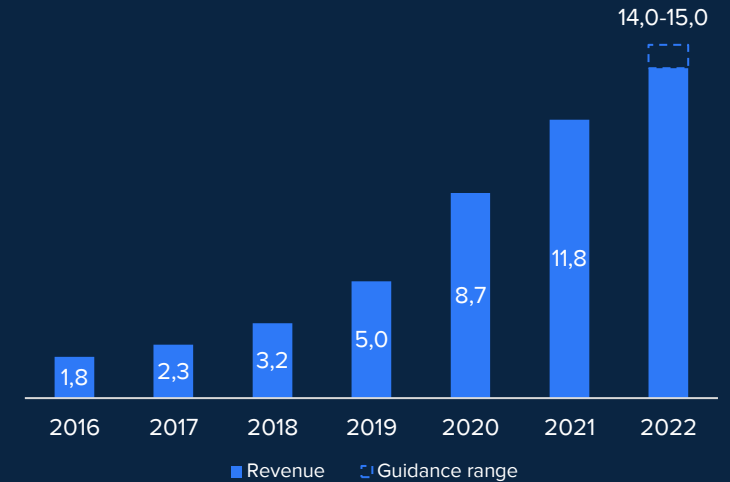
Guidance for 2022 (revised)

- Revenue is expected to be EUR 14.0-15.0 million (previously 14.0-15.5 MEUR)
- EBITA is expected to be EUR 1.9-2.6 million (previously 1.9-2.8 MEUR)

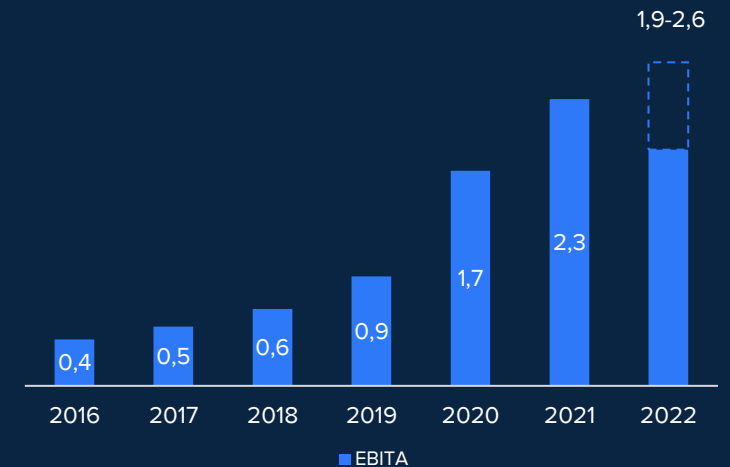
Background for the outlook

- Inderes' strengthened competitiveness supports the growth of the research business and IR solutions
- Revenue of the virtual events business is expected to remain stable in 2022
- The Ukrainian war and the uncertainty of the capital markets slow down IPO activity and have a negative impact on virtual event demand
- We expect the profitability of Finnish operations to remain stable and investments in Swedish operations will burden profitability during 2022
 - We estimate that investments in Sweden will be over EUR 1 million in 2022, of which less than EUR 0.5 million will be recognized in the balance sheet

Revenue (EUR million)



EBITA (EUR million)



What next?

Operating Environment

- We are used to and prepared for dramatic fluctuations in the operating environment
- We prepare for uncertainty by investing in recurring service concepts, growth in the existing customer base and expansion to new target markets
- The war in Ukraine has an indirect effect on us through the uncertainty on the capital markets and in the economy
- In the virtual events business, uncertainty has affected customer activity in organizing major events
- The uncertainty on the capital markets affects IPO activity, which is reflected in the growth of the target markets for all business areas

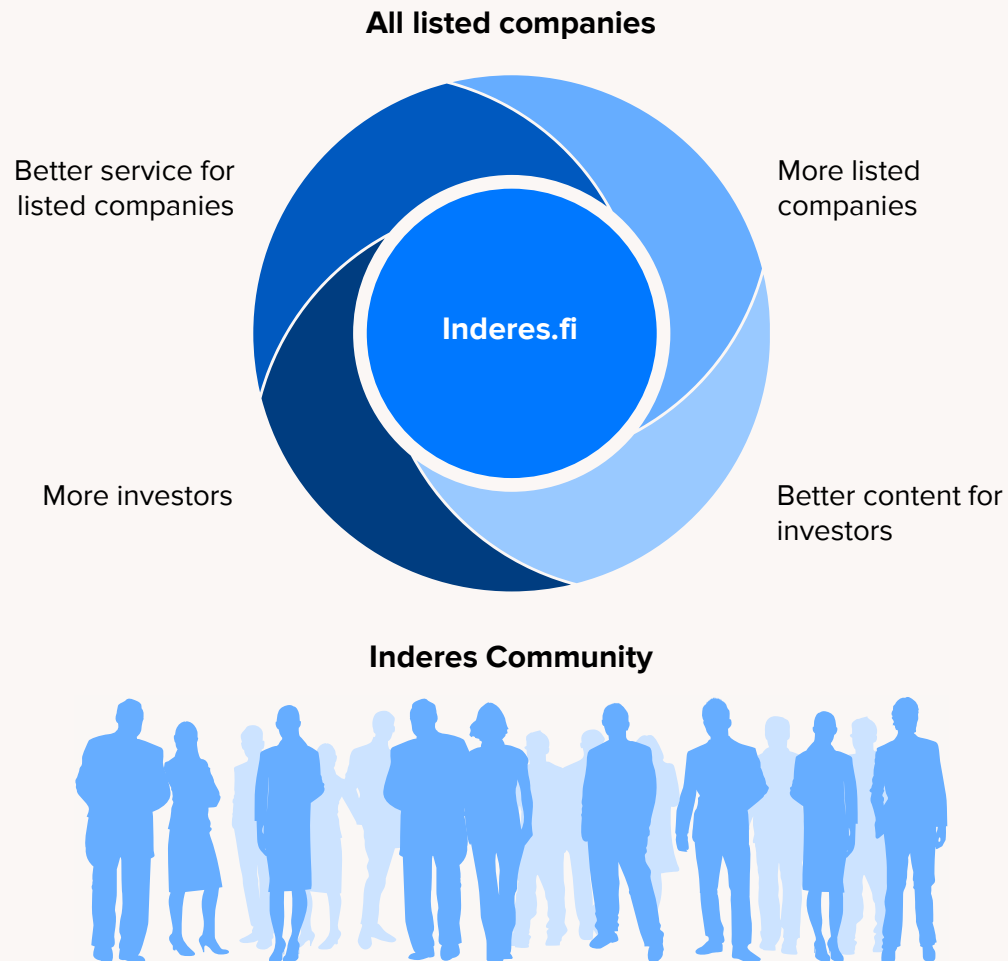


Market Trends

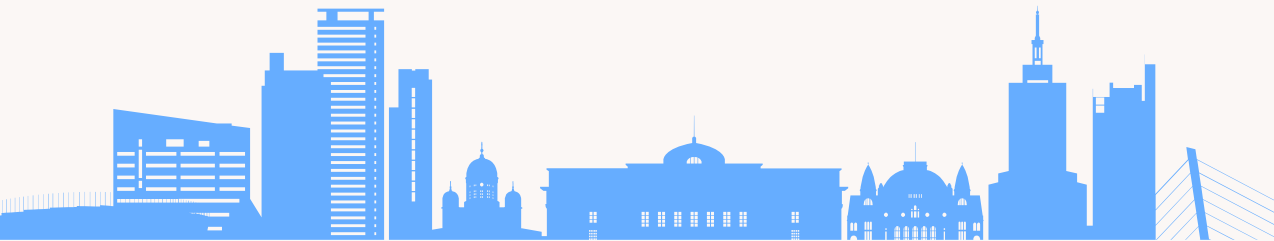
1. The number of retail investors is increasing and the popularity of direct equity investment is growing
2. IPOs are becoming more common as an alternative for growth entrepreneurs
3. Listed companies want to invest in transparency and investor communications
4. Digital channels enable more effective and efficient investor communications for listed companies



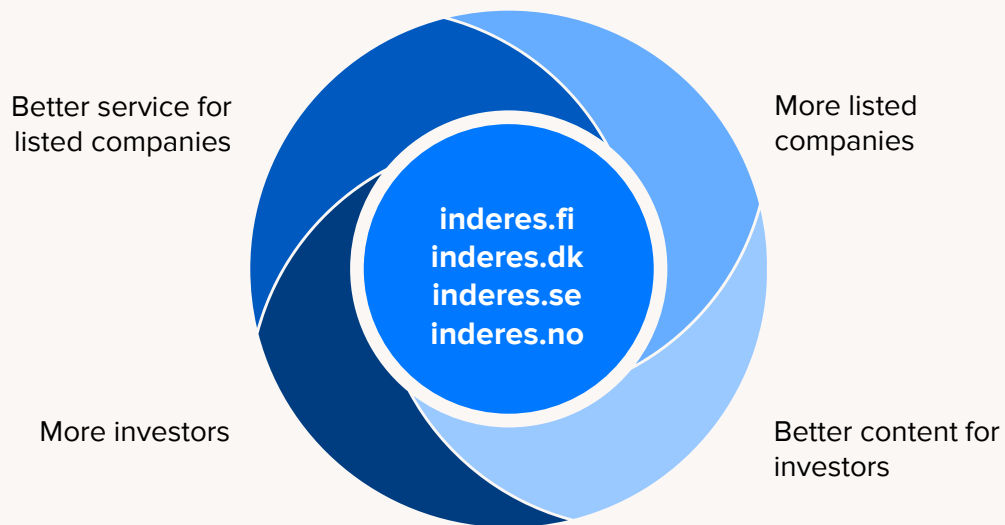
Cornerstones of the Strategy



1. We are growing in the listed company market by enabling efficient and effective investor communication for our customers
2. We will continue disciplined expansion into new market segments where we can be excellent
3. We build the world's most community-based investor service while ensuring quality



All listed companies



Inderes Community



HCA cooperation is the first step toward a Nordic network

>260

Number of listed company customers



>100

Professionals

>76k

Number of active Community members

Why do we want to become a Nordic operator?

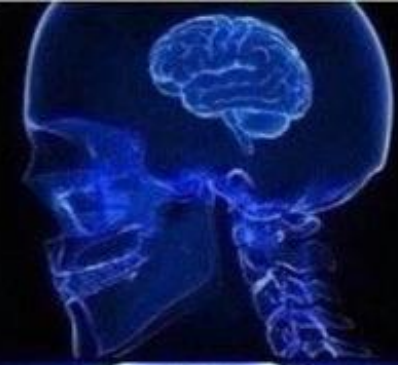
- The network effects of the operating model are considerable
- Due to the chicken or egg paradox scaling operations to a new market is challenging
- Through a partnership like HCA, we can expand to a new market effectively
- In the cooperation, HCA gains access to tools, technology and an operating model that have been proven effective in Finland
- In the long term, the Nordic network would have significant benefits for both listed company platform customers and investor community members

**FINNISH
EQUITY RESEARCH
AND IR COMPANY**

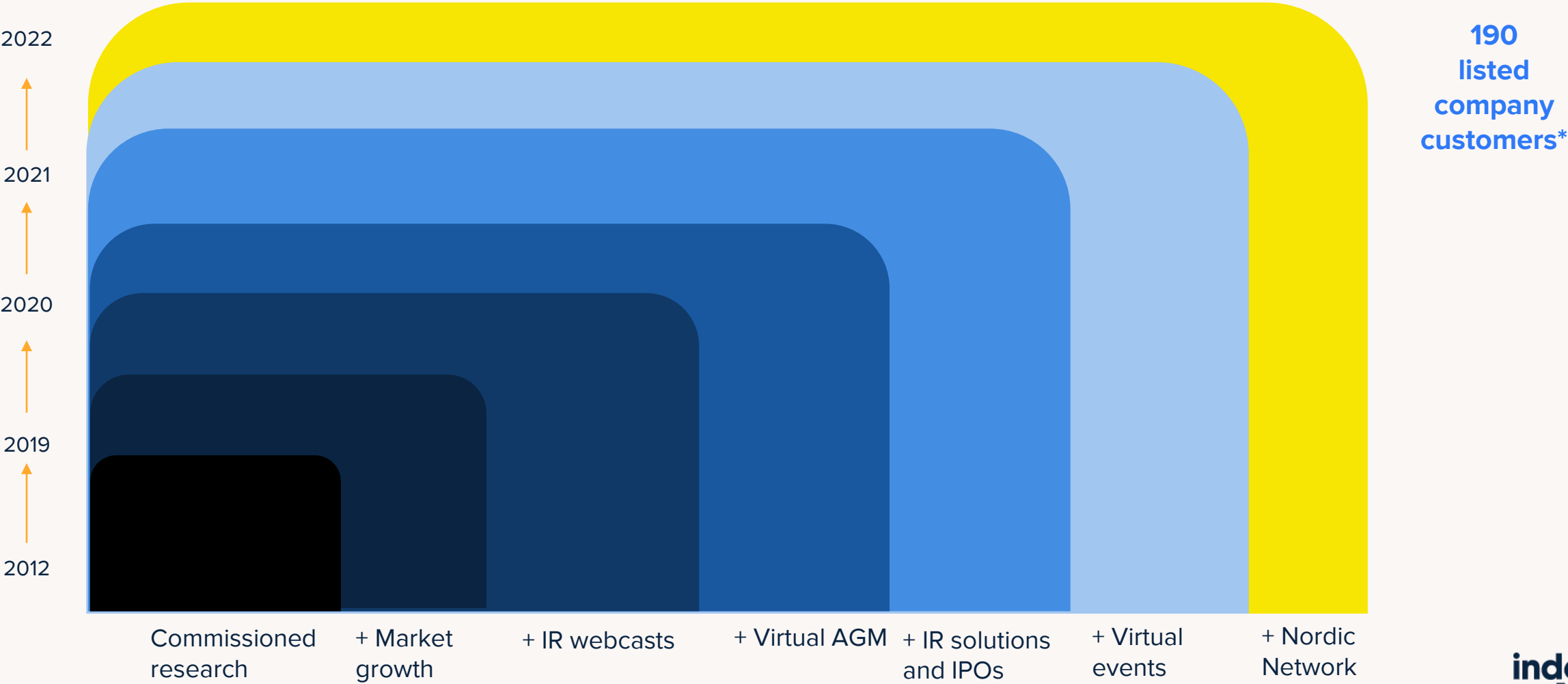
**EXPANDING
TO SWEDEN**

**STRATEGIC
PARTNERSHIP IN
DENMARK AND NORWAY**

**NORDIC
INVESTOR NETWORK**



Disciplined expansion to new market segments continues



*illustrative image of the target market, the size of the boxes should not be interpreted as an estimate of the absolute size of the market

Targets

Long-term financial targets

- The company's aim is to maintain a combined revenue growth rate and profitability (EBITA%) of 30-50%, regardless of the economic cycle

Eternity targets

- We prefer to be a small and excellent company rather than a large and mediocre one
- We never compromise our values
- We help our personnel grow as professionals and individuals



Historical Outcome

	2016	2017	2018	2019	2020	2021
Revenue growth%	25%	29%	40%	56%	76%	36%
EBITA %	21%	21%	19%	18%	20%	20%
Total	46%	50%	59%	74%	96%	55%

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