



Viria Plc

Half-year report

January 1 - June 30, 2020

August 28, 2020

**VIRIA**

Viria Oyj's half-year financial report 1 January–30 June 2020

(published 28.8.2020)

Operational profitability improved in challenging times

APRIL-JUNE 2020 IN BRIEF

- In Q2, revenue was EUR 26.0 million, (2019: EUR 26.7 million), change -2,7%
- Adjusted EBITDA was EUR 1.4 million (EUR 0.9 million), or 5.2% of revenue
- Adjusted EBITA was EUR 0.8 million (EUR 0.3 million), or 3.2% of revenue
- The adjusted loss for the period was EUR -0.3 million (EUR 0.5 million)
- Earnings per share were EUR -0.05 (EUR 0,09)

JANUARY-JUNE 2020 IN BRIEF

- Viria Group's revenue was EUR 52.2 million (EUR 51.6 million), change +1,3%
- Adjusted EBITDA was EUR 2.4 million (EUR 2.2 million), or 4.6% of revenue
- Adjusted EBITA was EUR 1.4 million (EUR 1.1 million), or 2.7% of revenue
- The adjusted loss for the period was EUR -2.8 million (EUR -0.4 million)
- Earnings per share were EUR -0.54 (EUR -0,03)

MEDIUM-TERM FINANCIAL TARGETS

In the next few years, Viria seeks growth. The company's view is that this growth will be driven especially by the strong digitalisation development in society and the increasing need for cyber security services. In its strategy, Viria emphasises the growth of revenue and also expects revenue growth to contribute to the increase of the adjusted EBITDA in the medium term.

OUTLOOK FOR 2020

Viria estimates that its 2020 revenue and adjusted EBITDA will be lower than in the previous year due to the restrictions imposed and the economic slowdown caused by the pandemic. The company will provide an update on its outlook when the situation normalises so that market developments can be assessed.

KEY FIGURES

| | 4-6/2020 | 4-6/2019 | 1-6/2020 | 1-6/2019 | 1-12/2019 |
|-------------------------------------------------------------------|----------|----------|----------|----------|-----------|
| Revenue, EUR 1,000 | 25,988 | 26,726 | 52,236 | 51,571 | 103,104 |
| Revenue, change, % | -2.8 | -5.8 | 1.3 | -2.7 | -1.7 |
| EBITDA | 1,427 | 1,184 | 2,199 | 2,453 | 5,598 |
| Adjusted EBITDA, EUR 1,000 ¹ | 1,359 | 880 | 2,425 | 2,204 | 5,492 |
| EBITA, EUR 1,000 | 909 | 638 | 1,164 | 1,377 | 1,723 |
| EBITA, % | 3.5 | 2.4 | 2.2 | 2.7 | 1.7 |
| Adjusted EBITA, EUR 1,000 ¹ | 841 | 334 | 1,391 | 1,129 | 3,315 |
| Adjusted EBITA, % ¹ | 3.2 | 1.2 | 2.7 | 2.2 | 3.2 |
| Operating profit (EBIT), EUR 1,000 | -929 | -1,106 | -2,445 | -2,057 | -5,201 |
| Adjusted operating profit (EBIT), EUR 1,000 ¹ | -997 | -1,410 | -2,218 | -2,306 | -3,609 |
| Profit for the period, EUR 1,000 | -269 | 491 | -2,980 | -162 | 10,859 |
| Adjusted profit for the period, EUR 1,000 ¹ | -323 | 235 | -2,799 | -374 | 12,459 |
| Balance sheet, EUR 1,000 | | | 145,735 | 141,195 | 152,512 |
| Equity-to-assets ratio, % | | | 77.3 | 75.7 | 78.7 |
| Earnings per share (EPS), EUR ² | -0.05 | 0.09 | -0.54 | -0.03 | 2.04 |
| Book value of parent company's equity per share, EUR ² | | | 22 | 21 | 23 |
| Average number of employees (FTE) | 717 | 698 | 711 | 688 | 693 |

¹ The adjusted EBITDA, the adjusted EBITA, the adjusted operating profit (EBIT) and the adjusted profit for the period are calculated by excluding capital gains/losses arising from the disposal of properties, fixed asset shares and businesses, insurance and other compensations and other adjustments from the respective reported figure.

² The own shares owned by the Group are excluded from the total number of shares

CEO MIKA VIHERVUORI:

The exceptional spring was better than predicted for Viria in April, both operationally and numerically. Our employees, who have demonstrated an excellent ability to adapt and innovate daily amidst this new and uncertain situation, are to thank for that.

The Group's revenue for January–June increased by 1.3 per cent year-on-year to EUR 52.2 million. Underlying the growth was particularly the good first quarter in security business. Revenue growth slowed down during the second quarter due to the COVID-19 pandemic and resulting restriction measures with individual customer projects postponed and only absolutely necessary installation visits made to hospitals and care homes, for example. Thanks to active sales efforts, however, the demand for our services and our order backlog continuously remained at a good level. Cash flow was partially maintained by continuous services, which account for approximately a quarter of the revenue of the business functions on average.

Adjusted EBITDA improved by 10 per cent year-on-year. This was due to cost-savings in travel due to COVID-19, among others.

Operating profit was burdened by the amortisation of consolidated goodwill from the acquisitions made in recent years, in addition to which the result for the period under review was burdened by the unrealised impairment of investment portfolios.

The COVID-19 pandemic and increase in remote work have strongly promoted the use of digital services, and conventional industries have also become interested in digitalisation. At Viria, this has also been reflected as continued demand for service and business design. After all, the digitalisation of operations is not only about technology, but also about the development of operating models and processes to make the use of the services as smooth and streamlined as possible.

This exceptional time also proved how the services with which Viria works are essential and important to people. New points of view are affixed to security, and the more business takes place online, the more important the digital security of people and businesses as well as the availability and user experience of services become. There are growing needs and expectations for the security and IT services we provide in modern society. Therefore, in spite of the prevailing uncertainty, we have positive expectations of the future.

REVENUE AND PROFIT PERFORMANCE IN JANUARY–JUNE 2020

Viria increased its revenue slightly compared to corresponding period last year to EUR 52.2 million (EUR 51.6 million). The growth took place in the first quarter, while the revenue for the second quarter fell short of Q2 of the previous year, as expected.

EBITDA was EUR 2.2 million (EUR 2.5 million), or 4.2% (4.8%) of revenue, and the adjusted EBITDA was EUR 2.4 million (EUR 2.2 million), or 4.6% (4.3%) of revenue.

EBITA totalled EUR 1.2 million (EUR 1.4 million), or 2.2 % (2.7%) of revenue. The adjusted EBITA amounted to EUR 1.4 million (EUR 1.1 million), or 2.7% (2.2%) of revenue.

The operating profit (EBIT) was EUR -2.4 million (EUR -2.1 million) and the adjusted operating profit (EBIT) EUR -2,2 million (EUR -2,3 million).

Personnel expenses in January–June amounted to EUR 27.1 (26.6), or 51.9% of revenue.

Other operating expenses were almost on a par with the previous year, EUR 6.9 million (EUR 7.2 million), with savings achieved with regard to travel expenses, in particular.

The Group's planned depreciation totalled EUR 1.3 million and amortisation of consolidated goodwill EUR 3.3 million.

The profit for the period was EUR -3,0 million (EUR -0.2 million) and earnings per share were EUR -0.54 (EUR -0.03).

FINANCIAL POSITION, FINANCING AND INVESTMENTS

The Group's balance sheet total at the end of the review period was EUR 145,7 million (EUR 141,2 million). Consolidated goodwill on the balance sheet amounted to EUR 47.2 million (EUR 49.5 million).

The equity-to-assets ratio at the end of the review period was 77.3% (75.7%).

Cash flow from operating activities before financial items and taxes was EUR 3.2 million (EUR 4.7 million). The change is due to inventories associated with customer projects. The cash flow from operating activities, EUR -0.9 (4.6) million, was additionally impacted by taxes paid on DNA capital gains implemented in 2019.

In January-June, investments totalled EUR 5.5 million (EUR 18.7 million).

SHARES, SHAREHOLDERS AND THE SHARE-BASED INCENTIVE SCHEME

The number of Viria Plc's shares was 5,675,465 at the end of the review period and 5,603,606 on average (at the end of year 2019: 5,467,389). At the end of the period, the parent company had 80,130 own shares and the subsidiaries had 400 own shares, accounting for 1.42% of the total number of shares.

Viria Plc issued a total of 200,576 new shares in conjunction with the transaction involving the minority holding in Aureolis Oy in April. In April, Viria Plc also issued 7,500 new shares in conjunction with committing the management of Spellpoint Ltd, acquired in 2019, as agreed upon paying the earnout. The subscription price was EUR 20 in both issues.

At the end of the period, the company had 26,211 shareholders (this figure does not include shares that have not been registered in the book-entry system; there are 399,100 such shares). The company does not have nominee-registered shares. The list of major shareholders can be found on the company's website at viria.fi/en.

The Annual General Meeting held on 25 June 2020 resolved to adopt a long-term share-based incentive scheme for the Board of Directors. The company already has a share-based incentive scheme in place for the personnel which was reported in more detail in the financial statements for 2018 and 2019.

GROUP'S BUSINESS AREAS AND STRUCTURE

Viria is an information and security technology solution provider. The Group has two business areas: the information business and the security business. Viria's information business provides customers with business intelligence, data analytics and data refinement services as well as digitalisation solutions that range from service and user interface design to software development. Viria's security business is based on the One Security principle that combines cyber security services with security technology and locking solutions.

The Group's parent company is Viria Plc. It has the following subsidiaries: Viria Security Ltd, Aureolis Oy, Bellurum-BI-palvelut Oy, Bitfactor Oy, Hibox Systems Oy, Tansec Oy, Spellpoint Group Ltd and its subsidiary Spellpoint Ltd and Viria Kiinteistöt Oy.

CHANGES IN THE GROUP STRUCTURE

Viria increased its holding in Aureolis Oy on 19 March 2020 and now owns all shares of the company.

PERSONNEL, MANAGEMENT AND CORPORATE GOVERNANCE

In January-June 2020, the Group had on average 711 (688) employees. In the calculation of the average number of employees, potential part-time employment has also been taken into account.

As skilled and committed personnel is one of the key factors enabling Viria's success, the company focuses on fostering positive corporate culture and personnel satisfaction and developing competence continuously.

The members of the Group's Management Team were CEO Mika Vihervuori, Viria Security Ltd's Managing Director Marko Järvinen, Aureolis Oy's Managing Director Katja Ahola, Bitfactor Oy's Managing Director Antti Pelkonen, CFO Pirjo Suhonen and Director of Communications Tiina Nieminen.

The members of Viria Plc's Board of Directors were Kai Dahl (Chairperson) until 25 June, Jussi Hattula, Samu Konttinen, Timo Kotilainen (Chairperson as of 26 June), Elina Piispanen and Katriina Valli.

The members of the Supervisory Board were Martti Alakoski (Chairperson until 25 June), Carita Ehnström, Lars Gästgivars (as of 25 June), Pekka Haapanen, Pasi Haarala, Asko Istolahti (until 25 June), Juha Koivisto, Matti Kulmakorpi, Jorma Kuoppamäki, Kuisma Laukkola, Riina Nevamäki (as of 25 June) Ari Närvä, Björn Pundars, Raimo Ristilä, Yngve Snickars (until 25 June), Janne Tuomikoski, Matti Uusi-Kakkuri, Piia Uusi-Kakkuri, Ossi Viljanen (until 25 June) ja Christian Wetterstrand (Chairperson as of 25 June).

ANNUAL GENERAL MEETING

Viria Plc's Annual General Meeting was held in Vaasa on Thursday, 25 June 2020. The Annual General Meeting confirmed the company's financial statements for the financial period 2019 and discharged persons responsible for accounts and operations from liability.

It was decided that a dividend of EUR 1.41 per share be paid for Viria Plc's shares. The dividend record date was 29 June 2020 and the payment date was 7 July 2020. Furthermore, the Annual General Meeting authorised the Board of Directors to decide on the distribution of dividend in one or several instalments, totalling a maximum of EUR 0.49 per share. The authorisation is valid until 31 December 2020.

The following members of the Supervisory Board due to retire by rotation were re-elected for the next three-year period: Pekka Haapanen, Matti Kulmakorpi, Björn Pundars and Piia Uusi-Kakkuri. Lars Gästgivars and Riina Nevamäki were elected as new members.

KPMG Oy Ab was elected as the company's auditor, with Esa Kailiala, APA, as the principal auditor.

A decision was made to combine the connection fee fund included in the company's equity with the reserve for invested unrestricted equity. The change will simplify the company's capital structure and clarify the treatment of assets as part of distributable assets.

The Annual General Meeting authorised the Board of Directors to decide on issuing a maximum of 170,000 shares as part of the personnel incentive scheme. This authorisation applies to issuing new shares as well as the company's own shares possessed by it. The amount equals 3% of all the shares of the company. The share issue authorisation is valid for 4 years from the date of the Board's resolution. The authorisation does not revoke the previous authorisation granted by the Annual General Meeting to the Board of Directors on 9 May 2019 to the extent that this previous authorisation concerns shares issued as part of the personnel incentive scheme.

The Annual General Meeting decided to adopt a long-term share-based incentive scheme for the members of the Board of Directors and approved a related share issue in which a maximum of 3,456 shares will be issued for subscription by members of the Board of Directors.

The Annual General Meeting authorised the Board of Directors to decide on a maximum EUR 100,000 donation to non-profit or comparable causes.

RISKS AND UNCERTAINTIES

Risk management is part of Viria's normal business operations. The risks identified by Viria's risk management are described below. If realised, they might have a significant impact on the company's profit or financial position.

The COVID-19 pandemic causes significant uncertainty in Viria's lines of business. Even though there has been an extensive wake up to the benefits of digitalisation during the spring, the foreseen global economic recession can reduce companies' possibilities and willingness to make investments or result in their postponement. Any second wave of the pandemic along with the resulting restriction measures would particularly affect the deliveries of physical security which take place on customer premises.

A significant portion of Viria's business consists of projects executed for customers. Mismatch problems in project resource allocation, failures in project pricing or execution or project delays may impair the company's profitability. Unfavourable terms and conditions of customer or supplier agreements or disputes arising with regard to their content may have negative impacts on the company's profit or may generate unexpected additional costs. Other customer-related risks include the loss of one or more key customers, a considerable decrease of purchases or customers' financial problems.

Viria is a service and expert company with business relying highly on skilled personnel. The company's profit and the implementation of the company's strategy may be impaired significantly if the company cannot recruit and retain skilled experts and continuously develop their competence according to the customer needs at each particular moment.

As a security sector company, Viria is subject to high expectations regarding the security and continuity of its services. A data breach, a data protection violation or the realisation of another security risk in the company's or a customer's environment may have significant direct and indirect negative effects.

Viria consists of several companies and corporate acquisitions may also be possible in the future. Failure in integrating companies and building synergy may complicate the attainment of Viria's strategic targets and decrease the commitment of the management and personnel of Group companies. Potential corporate acquisitions may also lead to unforeseen risks and hidden responsibilities, for which it has been impossible to make preparations.

MARKET REVIEW

The strong digitalisation development of companies and society in general is one of the most important growth drivers for Viria. It has direct or indirect impacts on nearly all of Viria's service areas, most typically on software development and data analytics utilisation. In addition, it increases the need for cyber security services significantly.

It seems that the IT service market is considerably less affected by the COVID-19 pandemic than many other industries. The strong growth that has continued for several years has slowed down, but the adoption of digital services at an unforeseen pace has kept demand at a good level.

Digitalisation is not solely about technological development. Services and systems are developed using a business-oriented approach, with emphasis on the user experience, and in addition to the software solution itself, developments are often made in the process and sometimes also in the entire business model. The aspects highlighted in development projects include not only technological expertise but also the significance of customer and business insight and service design.

Use of data and business intelligence are key trends in business development. The amount of data is growing exponentially and organisations have a strong motivation to make their operations data-driven and to grab the opportunities offered by artificial intelligence. Data refinement, analytics and business intelligence consulting are Viria's key competences. By combining them with the Group's other service areas, solutions can be created for the needs of the Industrial Internet, for example.

The change of the corporate IT environment, such as cloud services, the increase in the number of systems, system integrations and inter-company ecosystems, increase the need for cyber security services and pose new kinds of challenges. Digitalisation and the Industrial Internet are strongly increasing companies' connectedness to the Internet and, as a result, cyber security has expanded from the protection of companies' local area networks and the significance of identity and access management, for example, has grown. Cyber security is also more closely linked with the protection of the physical environment, including camera surveillance, access control and locking solutions.

Digitalisation development is at different stages in different sectors. One of the pioneers in service digitalisation is the banking and finance sector, which is also among Viria's main customer sectors. From this perspective, the sectors that Viria finds interesting and growing include social welfare, healthcare, commerce and industry, in which digitalisation offers considerable opportunities to develop processes and the customer experience.

Slower growth in the world economy and the euro area is reflected on Finland's economic growth, which is predicted to slow down in 2020. Digital development and demand for security solutions are anticipated to grow despite the declining economic situation. In Viria's business operations, the cyclical fluctuations of economy mainly affect the physical security services, with locking solutions being closely tied with the volume of new construction and renovation.

The increasing demand for IT and information security services has created a fierce competition for skilled employees, which has slowed down the growth of the entire IT sector to some extent. The sufficiency of competent labour force is a challenge for the growth of physical security business, too.

STRATEGY

Viria's mission is to build a better and safer tomorrow with the aid of data and smart technology. We contribute to our customers' success in two manners:

- We help them utilise data and digitalisation in creating a better customer experience and a competitive advantage.
- We provide peace of mind by protecting people, information and assets with solutions that ensure safe, secure and smoothly running everyday life.

We build innovative and sustainable digital services that are based on a solid understanding of customers and their needs, gained through service design and data utilisation. We are a forerunner in the development of data-driven organisations.

We are the only company in Finland that offers total security, which covers both digital and physical protection and consequently improves the efficiency of the customer's security management. We want to make security effortless and enable safe and smooth use of data, systems and passageways for authorised persons.

The strong digitalisation development of companies and society in general and the intertwining of the digital and physical worlds provide a fruitful ground for the growth of Viria and its services. Our goal is to grow faster than the market.

In our view, growth is boosted by the strong demand for our services and our strategic focus on growing service areas, such as data analytics, business digitalisation and cyber security. Our extensive customer base provides us with opportunities to find significant synergies in service sales and the mutually complementary competences in our business operations serve as a foundation for new innovative customer solutions. Our strong balance sheet also enables us to make corporate acquisitions that support our strategy.

The cornerstone of our success is people and their skills. Our high customer satisfaction ratings are based on our skilled and committed personnel and our ability to provide services throughout Finland. We want to be a workplace that offers well-being, professional development and experiences of doing meaningful work each and every day.

EVENTS AFTER THE REVIEW PERIOD

On 7 July 2020, Viria Plc paid a dividend of EUR 1.41 per share on the result for 2019, totalling EUR 7.9 million.

In accordance with the resolution of the Annual General Meeting, a share issue for the members of the Board of Directors of Viria Plc took place as part of the Board of Directors' share-based incentive scheme. A total of 960 shares were subscribed at a price of EUR 15.62 per share in the share issue.

FINANCIAL CALENDAR

In addition to the half-year report and the financial statements release, Viria publishes a more concise business report for the first and third quarters of the year.

- The business report for July–September will be published on Thursday, 29 October 2020

28.8.2020

Viria Plc

Board of Directors

Further information

CEO Mika Vihervuori, tel. +358 40 720 2140

Viria is an information and security technology solution provider that promotes digitalisation without compromising security. Our operations combine strong expertise in business intelligence, digital business and physical and cyber security with a customer-oriented and creative approach.

The Viria Group consists of the parent company Viria Plc and its subsidiaries Viria Security Ltd, Aureolis Oy, Bitfactor Oy, Hibox Systems Oy, Tansec Oy and Spellpoint Ltd. All companies are experiencing good growth and have a strong market position. Viria's revenue in 2019 was EUR 103 million. At the moment, the Group has approximately 700 employees. www.viria.fi/en

Tables

ACCOUNTING PRINCIPLES FOR THE FINANCIAL STATEMENTS

The half-year report has been prepared in accordance with good accounting practice and the Finnish legislation. Viria Plc prepares its financial statements according to the Finnish accounting legislation (FAS). The figures presented have been rounded from the exact figures. The figures in the half-year report are unaudited.

CONSOLIDATED INCOME STATEMENT (FAS)

| EUR 1,000 | 1 Jan.–30 June 2020 | 1 Jan.–30 June 2019 | 1 Jan.–31 Dec. 2019 |
|-----------------------------------------------|------------------------|------------------------|------------------------|
| LIKEVAIHTO | 52 236 | 51 571 | 103 104 |
| Production for own use | 275 | 326 | 517 |
| Other operating income | 421 | 454 | 557 |
| Share of associated companies' profit/loss | 0 | 0 | 0 |
| Materials and services | 16 713 | 16 148 | 32 617 |
| Personnel expenses | 27 090 | 26 572 | 51 543 |
| Depreciation, amortisation and impairment | 4 644 | 4 509 | 10 799 |
| Other operating expenses | 6 930 | 7 179 | 14 419 |
| OPERATING PROFIT (EBIT) | -2 445 | -2 057 | -5 201 |
| Finance income and costs | 97 | 2 570 | 20 793 |
| PROFIT BEFORE APPROPRIATIONS AND TAXES | -2 348 | 513 | 15 592 |
| Income taxes | | -570 | -4 544 |
| Minority interest | -67 | -105 | -189 |
| PROFIT FOR THE PERIOD | -2 980 | -162 | 10 859 |

CONSOLIDATED BALANCE SHEET (FAS)

| EUR 1,000 | 30 June 2020 | 30 June 2019 | 31 Dec. 2019 |
|----------------------------------|----------------|----------------|----------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Intangible assets | 49 853 | 52 464 | 49 151 |
| Tangible assets | 8 715 | 10 564 | 8 712 |
| Investments | 237 | 237 | 237 |
| NON-CURRENT ASSETS, TOTAL | 58 805 | 63 265 | 58 100 |
| CURRENT ASSETS | | | |
| Inventories | 7 503 | 6 388 | 5 604 |
| Non-current receivables | 6 801 | 6 152 | 6 548 |
| Current receivables | 15 200 | 18 156 | 19 826 |
| Financial securities | 14 933 | 13 040 | 10 211 |
| Cash in hand and at bank | 42 493 | 34 194 | 52 225 |
| CURRENT ASSETS, TOTAL | 86 930 | 77 929 | 94 413 |
| ASSETS, TOTAL | 145 735 | 141 195 | 152 512 |

| EUR 1,000 | 30 June 2020 | 30 June 2019 | 31 Dec. 2019 |
|------------------------------------------|----------------|----------------|----------------|
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Share capital | 1 504 | 1 504 | 1 504 |
| Reserve fund | 8 132 | 8 132 | 8 132 |
| Connection fee fund | 0 | 41 786 | 41 786 |
| Reserve for invested unrestricted equity | 48 284 | 1 000 | 2 240 |
| Retained earnings | 56 866 | 53 410 | 53 896 |
| Profit for the period | -2 980 | -162 | 10 859 |
| EQUITY, TOTAL | 111 807 | 105 671 | 118 419 |
| MINORITY INTEREST | 294 | 915 | 999 |
| STATUTORY PROVISIONS | 0 | 13 | 0 |
| LIABILITIES | | | |
| Non-current liabilities | 98 | 5 658 | 121 |
| Current liabilities | 33 537 | 28 938 | 32 974 |
| LIABILITIES, TOTAL | 33 634 | 34 596 | 33 095 |
| EQUITY AND LIABILITIES, TOTAL | 145 735 | 141 195 | 152 512 |

CONSOLIDATED CASH FLOW STATEMENT (FAS)

| EUR 1,000 | 1 Jan.– 30 June 2020 | 1 Jan.– 30 June 2019 | 1 Jan.– 30 Dec. 2020 | |
|--------------------------------------------------------------------------|---------------------------|-------------------------|-------------------------|-------|
| Cash flow from operating activities | | | | |
| Profit/loss for the period | -2 980 | -162 | 10 859 | |
| Adjustments to the profit for the period | 4 825 | 2 217 | -5 643 | |
| Cash flow from operating activities before the change in working capital | 1 844 | 2 055 | 5 216 | |
| Change in working capital: | | | | |
| Inventories | increase (-)/decrease (+) | -1 900 | -441 | 343 |
| Current receivables | increase (-)/decrease (+) | 4 161 | 3 071 | 463 |
| Current liabilities | decrease (-)/increase (+) | -908 | 127 | 1 801 |
| Cash flow from operating activities before financial items and taxes | 3 198 | 4 811 | 7 823 | |
| Dividends received | 25 | 1 122 | 1 150 | |
| Interest and other finance income | 69 | 1 434 | 19 500 | |
| Finance costs | -166 | -137 | -228 | |
| Taxes | -4 030 | -2 646 | -3 667 | |
| Cash flow from operating activities | -905 | 4 584 | 24 578 | |
| Cash flow from investing activities | | | | |
| Purchase of shares | -744 | -12 014 | -12 014 | |
| Investments in tangible and intangible assets | -1 527 | -961 | -2 123 | |
| Disposal of shares and repayment of capital | | | -28 | |
| Proceeds from sale of tangible and intangible assets | 605 | 508 | 540 | |
| Loans granted | | -1 | 0 | |
| Repayment of loan receivables | | 1 | 0 | |
| Cash flow from investing activities | -1 667 | -12 467 | -13 626 | |

Cash flow from financing activities

| | | | |
|-----------------------------------------------------------------------|---------------|----------------|----------------|
| Share issue | 379 | | 421 |
| Change in long-term loans | | -41 | -1 500 |
| Change in short-term loans | -2 203 | -7 810 | -11 983 |
| Purchase of own shares | | -71 | -71 |
| Disposal of own shares | 146 | 176 | 355 |
| Dividends paid and other profit distribution | -760 | -9 050 | -9 084 |
| Repayment of loan receivables | | 965 | 2 397 |
| Cash flow from financing activities | -2 438 | -15 831 | -19 465 |
| Change in cash and cash equivalents according to the statement | -5 010 | -23 714 | -8 512 |
| Cash and cash equivalents 1 Jan. | 62 436 | 70 948 | 70 948 |
| Cash and cash equivalents 30 June*/31 Dec.* | 57 426 | 47 234 | 62 436 |
| Change in cash and cash equivalents | -5 010 | -23 714 | -8 512 |

* In the cash flow statement, financial securities are treated as cash and cash equivalents.

CHANGES IN THE GROUP'S EQUITY (FAS)

| EUR 1,000 | 30 June 2020 | 30 June 2019 | 30 Dec. 2020 |
|--------------------------------------------------|----------------|----------------|----------------|
| EQUITY | | | |
| Share capital 1 Jan. | 1 504 | 1 504 | 1 504 |
| Share capital 30 June | 1 504 | 1 504 | 1 504 |
| Reserve fund 1 Jan. | 8 132 | 8 132 | 8 132 |
| Reserve fund 30 June | 8 132 | 8 132 | 8 132 |
| Connection fee fund 1 Jan. | 41 786 | 41 786 | 41 786 |
| Reclassifications | -41 786 | 0 | 0 |
| Connection fee fund 30 June | 0 | 41 786 | 41 786 |
| Reserve for invested unrestricted equity 1 Jan. | 2 240 | 1 000 | 1 000 |
| Disposal of own shares | 4 258 | 0 | 1 240 |
| Reclassifications | 41 786 | 0 | 0 |
| Reserve for invested unrestricted equity 30 June | 48 284 | 1 000 | 2 240 |
| Retained earnings 1 Jan. | 64 756 | 63 257 | 63 257 |
| Profit distribution | -7 889 | -9 714 | -9 714 |
| Purchase of own shares | 0 | 0 | -62 |
| Other changes in equity | 0 | -133 | 415 |
| Retained earnings 31 Dec. | 56 866 | 53 410 | 53 896 |
| Profit for the period | -2 980 | -162 | 10 859 |
| Equity, total | 111 807 | 105 671 | 118 419 |

THE GROUP'S COMMITMENTS AND COLLATERAL

| EUR 1,000 | 30 June 2020 | 31 Dec. 2019 | 31 Dec. 2018 |
|---------------------------------------------------------------------|---------------|---------------|---------------|
| Collateral | | | |
| Debts with business mortgage given as collateral | | | |
| Loans from financial institutions | 0 | 0 | 2 |
| Business mortgages | | | |
| Business mortgages given as collateral | 84 | 84 | 485 |
| Business mortgages available | 7 250 | 7 250 | 5 000 |
| Debts with shares or book-entry accounts given as collateral | | | |
| Loans from financial institutions | 0 | 1 500 | 14 000 |
| Shares given as collateral/negative pledge | 9 702 | 9 702 | 9 702 |
| Debts with a guarantee as collateral | | | |
| Loans from financial institutions | 3 429 | 4 000 | 5 143 |
| Overdraft facilities | 226 | 139 | 195 |
| Drawn loans and overdraft facilities | 3 655 | 4 139 | 5 338 |
| Available loans and overdraft facilities | 4 329 | 4 900 | 6 043 |
| Amount of the guarantee given as collateral | 3 655 | 4 139 | 5 338 |
| Contingent liabilities | | | |
| Rental and leasing commitments | | | |
| Payable in the next 12 months | 4 050 | 4 104 | 3 739 |
| Payable later | 2 992 | 2 877 | 2 988 |
| Total | 7 042 | 6 980 | 6 727 |
| Other commitments and collateral | | | |
| Total collateral amount granted | 655 | 476 | 393 |
| Drawn | 655 | 475 | 393 |
| VAT return obligation for real estate investments | 84 | 88 | 98 |
| Collateral and contingent liabilities, total | 21 221 | 21 468 | 22 743 |

CALCULATION FORMULAS

EBITDA:

Operating profit + depreciation, amortisation and impairment

Adjustments:

The adjusted EBITDA, the adjusted EBITA, the adjusted operating profit (EBIT) and the adjusted profit for the period are calculated by excluding capital gains/losses arising from the disposal of properties, fixed asset shares and businesses, insurance and other compensations and other adjustments from the respective reported figure.

Equity-to-assets ratio:

$\frac{\text{Equity} + \text{minority interest}}{\text{Balance sheet total} - \text{advances received}} \times 100$

Balance sheet total - advances received

The values of the balance sheet date are used in the divisor and the dividend.

Gross investments:

Capital expenditure for the period; divestment of assets not excluded.