

## Adelis Equity

Voluntary Public Cash Tender Offer by Anton Holding II Oy  
for All Shares and Special Rights in Avidly Plc**AVIDLY**

Anton Holding II Oy (the “**Offeror**”) hereby offers to acquire, through a voluntary public cash tender offer in accordance with Chapter 11, Section 27 of the Finnish Securities Market Act (746/2012, as amended, the “**Securities Market Act**”) and subject to the terms and conditions of this tender offer document (the “**Tender Offer Document**”), all of the issued shares (the “**Shares**” or, individually, a “**Share**”) and special rights (the “**Special Rights**” or, individually, an “**Special Right**”) in Avidly Plc (the “**Company**” or “**Avidly**”) that are not held by the Company or any of its subsidiaries (the “**Tender Offer**”). The Special Rights are held only by certain members of the management of the Company.

The Offeror is a private limited liability company incorporated under the laws of Finland. As at the date of this Tender Offer Document, the Offeror is indirectly wholly owned by Goldcup 31291 AB (a registration of a name change to Antoninvest Holding AB is pending) (“**Adelis Swedish HoldCo**”), which was incorporated to be the holding company in the acquisition structure. Adelis Swedish HoldCo is wholly owned by Adelis Holding III AB through Adelis Equity Partners Fund III AB (“**Adelis Fund III**”) and its affiliated entities.

Avidly is a public limited liability company incorporated under the laws of Finland, and its Shares are listed on First North Growth Market Finland maintained by Nasdaq Helsinki Ltd (“**First North**”) (Avidly together with its direct and indirect subsidiaries, the “**Avidly Group**”).

The Tender Offer was announced by the Offeror on 12 July 2022 (the “**Announcement Date**”), and the Offeror and the Company have on the Announcement Date entered into a combination agreement (the “**Combination Agreement**”) pursuant to which the Offeror makes the Tender Offer. For details, please see “*Summary of the Combination Agreement*”.

The price offered for each Share validly tendered in the Tender Offer is EUR 5.50 in cash (the “**Share Offer Price**”), subject to possible adjustments as described under section “*Terms and Conditions of the Tender Offer—Share Offer Price and Special Right Offer Price*”.

The price offered for each Special Right validly tendered in the Tender offer is EUR 5.49 in cash (the “**Special Right Offer Price**”), subject to possible adjustments as described under section “*Terms and Conditions of the Tender Offer—Share Offer Price and Special Right Offer Price*”.

The Share Offer Price of EUR 5.50 represents a premium of approximately 48.6 percent compared to the closing price per Share on First North on 11 July 2022, the last trading day immediately preceding the Announcement Date, and a premium of approximately 41.9 percent compared to the volume-weighted average trading price of the Shares on First North during the three-month period immediately preceding the Announcement Date.

The acceptance period under the Tender Offer (as extended or discontinued, the “**Offer Period**”) will commence on 25 July 2022 at 9:30 a.m. (Finnish time) and expire on 2 September 2022 at 4:00 p.m. (Finnish time), unless the Offer Period is extended or discontinued. For details, please see “*Terms and Conditions of the Tender Offer*”.

The completion of the Tender Offer is subject to the satisfaction of the conditions described in “*Terms and Conditions of the Tender Offer—Conditions to Completion of the Tender Offer*”. The Offeror reserves the right to waive any conditions to completion of the Tender Offer, to the extent permitted by applicable law.

CapMan Growth Equity Fund 2017 Ky, Stockholm Holding Co w.l.l., Palc Mills Oy, Amrap Holding AS, Gobelet Oy, Viento Oy, WeAreFuture AB, Juha Impola, Jonaz Kumlander, Jesse Maula, Ismo Nikkola, Hans Parvikoski and Ville Skogberg (jointly, the “**Major Shareholders**”) have irrevocably undertaken to accept the Tender Offer. Such undertakings concern approximately 57.0 percent of the issued and outstanding shares and votes in Avidly (on a fully diluted basis assuming full conversion of the Special Rights into shares) and will remain in force regardless of any superior competing offers. The Board of Directors of Avidly has unanimously decided to recommend that the shareholders of Avidly and holders of Special Rights accept the Tender Offer.

The information on this front page should be read in conjunction with the more detailed information in this Tender Offer Document, in particular in section “*Terms and Conditions of the Tender Offer*”.

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

Financial adviser to the Offeror



Carnegie Investment Bank AB, Finland Branch

Arranger of the Tender Offer



Evli Plc

## IMPORTANT INFORMATION

This Tender Offer Document has been prepared in accordance with Finnish law, including Chapter 11, Section 27 of the Securities Market Act, Decree 1022/2012 of the Finnish Ministry of Finance and Regulations and Guidelines 9/2013 (FIVA 10/01.00/2013) issued by the Finnish Financial Supervisory Authority (the “**FFSA**”). The Tender Offer Document and the Tender Offer are governed by Finnish law and any disputes related thereto shall be exclusively settled by Finnish courts of competent jurisdiction.

The Offeror and the Company have in the Combination Agreement undertaken to comply with the Helsinki Takeover Code issued by the Finnish Securities Market Association referred to in Chapter 11, Section 28 of the Securities Market Act (the “**Helsinki Takeover Code**”).

This Tender Offer Document has not been approved by the FFSA. Under the Securities Market Act, the FFSA’s approval is not sought for a tender offer document regarding shares traded on a multilateral trading facility.

The Tender Offer Document is available in Finnish and as an English translation. In the event of any discrepancy between the two language versions of the Tender Offer Document, the Finnish language version shall prevail.

The Finnish language version of this Tender Offer Document will be available from 25 July 2022 onwards online at <https://investors.avidlyagency.com/adelis>. The English language translation of the Tender Offer Document will be available from 25 July 2022 onwards online at <https://investors.avidlyagency.com/en/adelis/>.

The Offeror reserves the right to acquire Shares and/or Special Rights in public trading on First North or otherwise outside the Tender Offer before, during and after the Offer Period and any Subsequent Offer Period (as defined below), to the extent permitted by applicable laws and regulations.

The Tender Offer is not being made directly or indirectly in any jurisdiction where prohibited by applicable law. This Tender Offer Document and related acceptance forms as well as any other related materials are not and may not be distributed, forwarded or transmitted into or from any jurisdiction where it would be prohibited by the applicable laws and regulations. In particular, the Tender Offer is not being made in and this Tender Offer Document must under no circumstances be distributed into, directly or indirectly, in or into, or by use of the postal service of, or by any means or instrumentality (including, without limitation, e-mail, post, facsimile transmission, telex, telephone or electronic transmission by way of the internet or otherwise) of interstate or foreign commerce of, or through any facilities of a national securities exchange of, Australia, Canada, Hong Kong Special Administrative Region of the People’s Republic of China, Japan, New Zealand or South Africa. The Tender Offer cannot be accepted, directly or indirectly, by any such use, means or instrumentality or from within, Australia, Canada, Hong Kong Special Administrative Region of the People’s Republic of China, Japan, New Zealand or South Africa. Any purported acceptance of the Tender Offer resulting directly or indirectly from a violation of these restrictions will be invalid.

All financial and other information presented in this Tender Offer Document concerning the Company has been extracted from, and has been provided exclusively based upon, the unaudited business review published by the Company for the three months ended 31 March 2022, the annual report and audited consolidated financial statements published by the Company as at and for the financial year ended 31 December 2021, the company releases published by the Company, entries in the Finnish trade register, the shareholders’ register of the Company as at 22 July 2022, and other publicly available information. Accordingly, the Offeror does not accept any responsibility for such information except for the accurate restatement of such information herein.

Save to the extent required by mandatory law, this Tender Offer Document will not be supplemented or updated with any financial information or other company releases published by Avidly after the date of this Tender Offer Document nor will the Offeror otherwise separately inform any person about the publication of any such financial information or other company releases by Avidly.

Carnegie Investment Bank AB, Finland Branch (“**Carnegie**”), is acting as financial adviser to the Offeror and no one else in connection with the Tender Offer, will not regard any other person than the Offeror as its client in relation to the Tender Offer and will not be responsible to anyone other than the Offeror for providing the protections afforded to its clients nor for providing advice in relation to the Tender Offer.

Evli Plc (the “**Arranger**” or “**Evli**”) is acting as arranger in relation to the Tender Offer, will not regard any other person than the Offeror as its client in relation to the Tender Offer and will not be responsible to anyone other than the Offeror for providing the protections afforded to clients of the Arranger nor for providing advice in relation to the Tender Offer.

### Information for Securityholders in the United States

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

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

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

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

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

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

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

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

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

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



## **PERSONS RESPONSIBLE FOR THE TENDER OFFER DOCUMENT**

### **Offeror**

**Anton Holding II Oy**  
Address: Regeringsgatan 20  
SE-111 53 Stockholm  
Sweden  
Domicile: Helsinki, Finland

### **The Board of Directors of the Offeror**

John-Matias Uttana (Chairman)  
Hampus Nestius

This Tender Offer Document has been prepared by the Offeror pursuant to Chapter 11, Section 27 of the Securities Market Act for purposes of the Tender Offer set out herein.

The persons responsible for the Tender Offer Document represent that to their best understanding the information contained in this Tender Offer Document is accurate and no information has been omitted that is likely to affect the assessment of the merits of the Tender Offer.

All information concerning the Company presented in this Tender Offer Document has been extracted from, and has been provided exclusively based upon, publicly available information. The Offeror confirms that this information has been accurately reproduced and that as far as the Offeror is aware and is able to ascertain from information published by the Company, no facts have been omitted which would render the reproduced information incorrect or misleading.

**In Helsinki, 25 July 2022**

**Anton Holding II Oy**

**ADVISERS TO THE OFFEROR**

**Financial adviser to the Offeror in connection with the Tender Offer**

**Carnegie Investment Bank AB, Finland Branch**

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**Arranger of the Tender Offer**

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**ADVISERS TO THE COMPANY**

**Financial adviser to the Company in connection with the Tender Offer**

**Ernst & Young Aktiebolag**

***EY Corporate Finance***

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**Legal adviser to the Company in connection with the Tender Offer**

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## 1. BACKGROUND AND OBJECTIVES

### 1.1 Background to the Tender Offer and Strategic Rationale

Adelis Fund III together with its affiliated entities (“Adelis”) is a growth partner for well-positioned, Nordic companies. Since raising its first fund in 2013, Adelis has been one of the most active investors in the Nordic middle-market, making 34 platform investments and more than 150 add-on acquisitions. Adelis is a highly active private equity investor in the technology services sector, and a significant share of Adelis’ historical track record has been built on investments in technology services. Adelis’ investors include leading Finnish, Nordic and global pension funds, foundations, family offices and asset managers. The Adelis team has over 100 years of cumulative private equity experience, and Adelis currently manages approximately EUR 2 billion in capital.

Avidly is a leading Nordic-based marketing technology (MarTech) service provider with its shares trading on First North. In Avidly’s MarTech offering, customer experience, data and technology are closely entwined into its impact-driven growth strategy. Avidly partners with organizations of all sizes, from start-ups to Fortune 500 companies and is committed to creating solutions that help companies to grow. Avidly has a team of approximately 280 MarTech professionals in 18 locations in Finland, Sweden, Norway, Denmark, Germany, the UK and Canada.

Adelis believes that its extensive experience and excellent track record in technology services, as evident from Adelis’ previous investments in, for example, Valtti and AddPro, makes it a strong partner for Avidly and its management team in continuing to grow the business both organically and through add-on acquisitions.

The Offeror and Avidly have on the Announcement Date entered into the Combination Agreement pursuant to which the Offeror has undertaken to make a voluntary public cash tender offer for all Shares and Special Rights that are not held by Avidly or any of its subsidiaries. The principal terms and conditions of the Combination Agreement have been described in “*Summary of the Combination Agreement*” below.

After reviewing the Tender Offer and its terms and conditions, as well as other available information, the Board of Directors of Avidly has unanimously decided to recommend that the shareholders of Avidly and holders of Special Rights accept the Tender Offer (see “—*Statement by the Board of Directors of the Company*” below and “*Appendix A – Statement Issued by the Board of Directors of the Company*”). The Board of Directors of Avidly has received a fairness opinion dated 12 July 2022 from Sisu Partners Oy, according to which the terms and conditions of the Tender Offer are, from a financial point of view, fair and reasonable to the holders of the Shares and holders of the Special Rights as of the date of the opinion.

The Major Shareholders have irrevocably undertaken to accept the Tender Offer. Such undertakings concern approximately 57.0 percent of the issued and outstanding shares and votes in Avidly (on a fully diluted basis assuming full conversion of the Special Rights into shares) in the aggregate and will remain in force regardless of any superior competing offers.

### 1.2 Effect of the Tender Offer on the Operations and Assets and Future Position of Management and Employees of the Company and the Offeror

The completion of the Tender Offer is not expected to have any major immediate effects on Avidly’s operations or assets, the position of its management or employees, or its business locations. However, as is customary, the Offeror intends to change the composition of the Board of Directors of Avidly as soon as practically possible after the completion of the Tender Offer to reflect the new ownership structure of Avidly.

The Offeror has not entered into any agreements providing for any compensation or other remuneration granted to the management or the members of the Board of Directors of Avidly payable in return for the execution of the Combination Agreement and/or for the completion of the Tender Offer.

In July 2020, Avidly established a share-based long-term incentive plan for the Company’s CEO, CFO and Chief Customer Experience Officer (the “LTIP”, as described in “*Presentation of the Company—Option Rights and Special Rights Entitling to Shares*”). The Special Rights have been issued to the LTIP participants under the LTIP. Under the terms and conditions of the LTIP, a public tender offer made for the shares in the Company and fulfilling certain criteria set forth in the terms and conditions of the LTIP, including the Tender Offer, will cause the full accelerated vesting of the Special Rights and thereby the full accelerated payment of LTIP rewards. The accelerated payment of any LTIP rewards is conditional upon the completion of the Tender Offer as well as each LTIP participant fulfilling a share ownership prerequisite and continuing in the employment or service of the Avidly Group upon payment of the LTIP reward, as described in more detail in “*Presentation of the Company—Option Rights and Special Rights Entitling to Shares*”. In connection with the completion of the Tender Offer, the holders of all of the Special Rights are expected, upon request of the Offeror, to convert their Special Rights into shares in the Company and the Offeror is expected to acquire such shares for a purchase price of EUR 5.50 per share.

Other than as described herein and the payment of the Share Offer Price and Special Right Offer Price, the completion of the Tender Offer is not expected to have any major immediate effects on the Offeror's operations or assets, the position of its management or employees or its business locations.

### **1.3 Financing of the Tender Offer**

As required under applicable laws, the Offeror has, and will have at the completion of the Tender Offer, access to equity funding in sufficient amounts to finance the payment of the aggregate Share Offer Price and Special Right Offer Price for all of the issued and outstanding shares and special rights in Avidly in connection with the Tender Offer (including in any mandatory redemption proceedings in accordance with the Finnish Limited Liability Companies Act (624/2006, as amended, the "**Finnish Companies Act**"). Adelis Fund III has executed an equity commitment letter addressed to the Offeror confirming the financing for such payment. The completion of the Tender Offer is not conditional upon availability of financing.

### **1.4 Offeror's Future Plans with respect to the Company's Shares and Special Rights**

#### *Purpose of the Tender Offer*

The Offeror intends to acquire all of the issued and outstanding Shares and Special Rights.

#### *Redemption under the Finnish Companies Act*

Under Chapter 18, Section 1 of the Finnish Companies Act, a shareholder holding more than ninety (90) percent of all shares and voting rights in a limited liability company shall have the right to acquire and, subject to demand by other shareholders, is also obligated to redeem the remainder of the issued and outstanding shares in the company at a fair price. If as a result of the completion of the Tender Offer, the Offeror's ownership, together with any other Shares and votes otherwise acquired by the Offeror, exceeds ninety (90) percent of all issued and outstanding Shares and votes in the Company, calculated in accordance with Chapter 18, Section 1 of the Finnish Companies Act and on a fully diluted basis, the Offeror intends to initiate mandatory redemption proceedings in accordance with the Finnish Companies Act to acquire the remaining Shares in Avidly, and thereafter to cause Avidly's Shares to be delisted from First North as soon after the Settlement Date (as defined below) as may be permitted and reasonably practicable under applicable laws and regulations. In connection with any such redemption proceedings, the Offeror intends to also acquire or cause the Company to redeem any such Special Rights which have not been validly tendered in the Tender Offer, or otherwise acquired by the Offeror, in accordance with the terms and conditions of such Special Rights.

Pursuant to the Finnish Companies Act, a shareholder that holds more than two thirds (2/3) of the shares and voting rights carried by the shares present in a company's general meeting has sufficient voting rights to decide upon, among other things, the merger of the company into another company. Should the Offeror in the future elect to amend or waive the current condition to completion of the Tender Offer that requires the reaching of a shareholding of more than ninety (90) percent of the Shares and voting rights carried by the Shares and then complete the Tender Offer, and should the Offeror's shareholding in Avidly be less than ninety (90) percent but more than two thirds (2/3) of the Shares and voting rights carried by the Shares, the Offeror would assess alternatives to acquire the remaining Shares and possibly remaining Special Rights over time, and it is possible that Avidly could become subject to certain corporate transactions, including for example purchases of further Shares in Avidly after completion of the Tender Offer, or a statutory merger with and into the Offeror or any of its affiliates or the issuance of shares in Avidly by way of derogation from the shareholders' pre-emptive subscription rights. However, as at the date of this Tender Offer Document, the Offeror has not taken any decisions on the timeline of any such possible transactions or whether any such transactions would be undertaken at all. For more information on an amendment to or a waiver of the Conditions to Completion (as defined below) of the Tender Offer, see section "*Terms and Conditions of the Tender Offer—Conditions to Completion of the Tender Offer*".

#### *Delisting from First North*

The Offeror's intention is to acquire all the issued and outstanding Shares and Special Rights and apply for delisting of the Shares from First North as soon as reasonably practicable under applicable laws and regulations.

### **1.5 Statement by the Board of Directors of the Company**

The Board of Directors of Avidly has unanimously decided to recommend that the shareholders of Avidly and holders of Special Rights accept the Tender Offer.

The Board of Directors of Avidly has requested a fairness opinion regarding the Tender Offer from Sisu Partners Oy. The fairness opinion dated 12 July 2022 states that the terms and conditions of the Tender Offer are, from a financial point of view, fair and reasonable to the holders of the Shares and holders of the Special Rights as of the date of the opinion.

After having obtained the fairness opinion from Sisu Partners Oy and having carefully assessed the Tender Offer and its terms and conditions from the point of view of Avidly and its shareholders and holders of Special Rights and other available information, the Board of Directors of Avidly has on 22 July 2022 issued a statement to the effect that, under the circumstances prevailing at the time the statement was issued, the Tender Offer and the amount of the Offer Price and the Special Right Offer Price are fair and reasonable to the holders of the Shares and the holders of the Special Rights. Accordingly, the Board of Directors of Avidly has unanimously decided to recommend the holders of the Shares and the holders of the Special Rights to accept the Tender Offer.

According to the statement of the Board of Directors of Avidly, all members of the Board of Directors participated in the decision-making concerning the recommendation.

The statement of the Board of Directors of Avidly is attached to this Tender Offer Document as Appendix A. The fairness opinion issued by Sisu Partners Oy is attached to the statement of the Board of Directors of Avidly.

#### **1.6 Undertakings by Major Shareholders**

Certain major shareholders and certain members of management of Avidly, including the holders of all of the Special Rights issued by Avidly, CapMan Growth Equity Fund 2017 Ky, Stockholm Holding Co w.l.l., Palcmills Oy, Amrap Holding AS, Gobelet Oy, Viento Oy, WeAreFuture AB, Juha Impola, Jonaz Kumlander, Jesse Maula, Ismo Nikkola, Hans Parvikoski and Ville Skogberg have irrevocably undertaken to accept the Tender Offer. Such undertakings concern approximately 57.0 percent of the issued and outstanding shares and votes in Avidly (on a fully diluted basis assuming full conversion of the Special Rights into shares) in the aggregate. Such undertakings will remain in force regardless of any competing tender offer or other competing transaction or arrangement (whether superior or not as compared to the Tender Offer), regardless of whether the Board of Directors of the Company withdraws or modifies its recommendation concerning the Tender Offer and regardless of whether the Offeror waives or modifies any of the Conditions to Completion (as defined below) initially included in the terms of the Tender Offer.

#### **1.7 Authority Approvals**

The Offeror will, as soon as reasonably practicable, make all submissions, notifications and filings required to obtain all necessary regulatory approvals from relevant authorities in all jurisdictions where required under applicable laws and regulations. Based on currently available information, the Offeror expects the Tender Offer to be subject to merger control clearance in Finland and estimates that such clearance as well as any other necessary regulatory approvals will be obtained prior to the expiry of the initial Offer Period. If all necessary regulatory approvals have not been obtained prior to the expiry of the initial Offer Period, the Offeror will extend the Offer Period in accordance with, and subject to, the terms and conditions of the Tender Offer and applicable laws, in order to satisfy the Conditions to Completion (as defined below), including obtaining necessary regulatory approvals. See “*Terms and Conditions of the Tender Offer—Offer Period*” and “*Terms and Conditions of the Tender Offer—Conditions to Completion of the Tender Offer*”.

#### **1.8 Fees to Advisers**

Carnegie Investment Bank AB, Finland Branch acts as the financial adviser and Avance Attorneys Ltd as the legal adviser to the Offeror in connection with the Tender Offer. Evli Plc acts as the arranger in connection with the Tender Offer. The Offeror expects the aggregate fees payable to its advisers on the basis of the completion of the Tender Offer to be approximately EUR 1 million.

## **2. INFORMATION ON GROUNDS FOR PRICING OF THE TENDER OFFER**

### **2.1 Grounds for Determining the Share Offer Price and the Special Right Offer Price**

According to Chapter 11, Section 24 of the Securities Market Act, the starting point in determining the consideration to be offered in a voluntary tender offer for all shares and other securities entitling to shares in the target company shall be the highest price paid for the securities subject to the tender offer by the offeror or by a person related to the offeror as referred to in Chapter 11, Section 5 of the Securities Market Act, during a period of six (6) months preceding the announcement of the tender offer.

Neither the Offeror nor any party related to the Offeror as referred to in Chapter 11, Section 5 of the Securities Market Act has acquired any Shares or Special Rights in public trading or otherwise within the six (6) months preceding the Announcement Date. As at the date of this Tender Offer Document, neither the Offeror nor any party referred to in Chapter 11, Section 5 of the Securities Market Act holds any Shares or Special Rights.

#### ***Share Offer Price***

The Share Offer Price under the Tender Offer is EUR 5.50 in cash for each Share validly tendered, subject to any adjustments as described in “—*Adjustment of the Share Offer Price and the Special Right Offer Price*” below. The Share Offer Price has been determined based on 5,339,537 issued and outstanding Shares as at the Announcement Date.

The Offeror has determined the Share Offer Price after careful consideration of Avidly’s current market position, historical business and financial performance and the prospects of Avidly’s business and its financial condition in the foreseeable future, as well as the current and historical trading prices of the Shares on First North.

#### ***Special Right Offer Price***

The Special Right Offer Price under the Tender Offer is EUR 5.49 in cash for each Special Right validly tendered, subject to any adjustments as described in “—*Adjustment of the Share Offer Price and the Special Right Offer Price*” below. The Special Right Offer Price has been determined based on 569,580 Special Rights as at the Announcement Date.

The Special Right Offer Price has been determined by multiplying the Share Offer Price by the number of shares each Special Right entitles to subscribe for (i.e., one (1)) and deducting the subscription price of each Special Right as provided in the terms of the Special Rights (i.e., EUR 0.01).

The Special Rights are held only by certain members of the management of the Company.

### **2.2 Adjustment of the Share Offer Price and the Special Right Offer Price**

The Share Offer Price has been determined based on 5,339,537 issued and outstanding Shares and the Special Right Offer Price has been determined based on 569,580 Special Rights as at the Announcement Date. Should the number of Shares or instruments entitling to shares change as a result of a new issuance of shares or instruments entitling thereto (other than the issuance of 569,580 shares in connection with the LTIP and the related conversion of each Special Right into shares in the Company as may be requested by the Offeror), reclassification, stock split or any other similar transaction, or should the Company distribute a dividend or otherwise distribute funds or any other assets to its shareholders or should a record date with respect to any of the foregoing occur prior to the Settlement Date (as defined below), the Share Offer Price and the Special Right Offer Price will be reduced accordingly on a euro-for-euro basis.

### **2.3 Trading Prices and Volumes of the Shares**

Avidly’s Shares are listed on First North under the trading code “AVIDLY”. The ISIN code of the Shares is FI0009015580.

The chart below sets forth the price development and trading volumes of the Shares on First North during the last three (3) years preceding the Announcement Date, i.e., between 11 July 2019 and 11 July 2022.<sup>1</sup>

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<sup>1</sup> Source: Nasdaq (closing price) and Factset (trading volume).



The closing price per Share on First North on 11 July 2022, i.e., on the last trading day preceding the Announcement Date, was EUR 3.70. The volume-weighted average trading price of the Shares on First North over the three-month period preceding the Announcement Date, i.e., from 11 April 2022 to 11 July 2022, was EUR 3.87.

The Share Offer Price of EUR 5.50 for each Share represents a premium of approximately 48.6 percent compared to the closing price per Share (EUR 3.70) on First North on 11 July 2022, the last trading day immediately preceding the Announcement Date, and a premium of approximately 41.9 percent compared to the volume-weighted average trading price of the Shares (EUR 3.87) on First North during the three-month period immediately preceding the Announcement Date.

The table below sets forth quarterly information on the trading prices and trading volumes of the Shares on the First North for the periods indicated.<sup>2</sup>

Time period	Closing share price during the period (EUR) <sup>3</sup>			Share trading volume during the period	
	Average	High	Low	Shares	EUR
2019					
Third quarter (from 11 July 2019)	4.24	4.73	3.85	68,627	280,476
Fourth quarter	3.91	4.39	3.69	126,866	497,251
2020					
First quarter	3.67	5.22	1.12	359,224	1,297,450
Second quarter	1.46	1.93	1.10	446,946	623,303
Third quarter	2.13	3.00	1.38	754,424	1,674,800
Fourth quarter	3.21	3.98	2.60	682,691	2,210,862
2021					
First quarter	4.81	5.85	3.68	662,580	3,165,470
Second quarter	5.90	6.70	5.30	324,717	1,917,473
Third quarter	5.93	6.66	5.46	1,032,197	6,288,070
Fourth quarter	5.27	5.94	4.62	1,073,101	5,495,846
2022					
First quarter	4.50	5.24	3.42	633,560	2,795,704

<sup>2</sup> Source: Nasdaq (closing price) and Factset (trading volume).

<sup>3</sup> High and low prices calculated based on intraday trading data during the period. Average prices calculated as the volume-weighted average during the period.

Second quarter	3.88	4.28	3.56	245,097	953,825
Third quarter (until 11 July 2022)	3.74	3.86	3.64	8,908	32,793

#### **2.4 Other Tender Offers**

To the knowledge of the Offeror, no public tender offer for the Shares or securities entitling to shares in Avidly has been made by any third party during the twelve (12) months preceding the date of this Tender Offer Document.

### **3. SUMMARY OF THE COMBINATION AGREEMENT**

*This summary is not an exhaustive presentation of all the terms and conditions of the Combination Agreement. This summary aims at describing the terms and conditions of the Combination Agreement to the extent that such terms and conditions may materially affect the assessment of the shareholders of the Company and holders of the Special Rights of the terms and conditions of the Tender Offer.*

#### **3.1 Background to the Combination Agreement**

The Offeror and Avidly have on 12 July 2022 entered into the Combination Agreement pursuant to which the Offeror has undertaken to make a voluntary public cash tender offer recommended by the Board of Directors of Avidly for all Shares and Special Rights in Avidly that are not held by Avidly or any of its subsidiaries (the Offeror and Avidly hereafter each a “**Party**” and together “**Parties**”).

If as a result of the completion of the Tender Offer, the Offeror’s ownership, together with any other Shares and votes otherwise acquired by the Offeror, exceeds ninety (90) percent of all issued and outstanding Shares and votes in the Company, calculated in accordance with Chapter 18, Section 1 of the Finnish Companies Act and on a fully diluted basis, the Offeror intends to initiate mandatory redemption proceedings in accordance with the Finnish Companies Act to acquire the remaining Shares in Avidly, and thereafter to cause Avidly’s Shares to be delisted from First North as soon after the Settlement Date (as defined below) as may be permitted and reasonably practicable under applicable laws and regulations. In connection with any such redemption proceedings, the Offeror intends to also acquire or cause the Company to redeem any such Special Rights which have not been validly tendered in the Tender Offer, or otherwise acquired by the Offeror, in accordance with the terms and conditions of such Special Rights.

The background of the Tender Offer is described in more detail under “*Background and Objectives*” above.

#### **3.2 Share Offer Price and Special Right Offer Price**

Under the Combination Agreement, the Offeror shall commence the Offer Period without undue delay after the announcement of the Tender Offer. The Offeror reserves the right to extend the Offer Period from time to time or discontinue the Offer Period in accordance with the terms and conditions of the Tender Offer and applicable laws and regulations.

The Combination Agreement provides that the Offeror shall offer to acquire all the Shares for a consideration of EUR 5.50 in cash for each Share, subject to the terms and conditions of the Tender Offer. The Combination Agreement further provides that the Special Right Offer Price offered in cash by the Offeror for each Special Right validly tendered is EUR 5.49.

The Share Offer Price and the Special Right Offer Price may be adjusted as described in “*Terms and Conditions of the Tender Offer—Share Offer Price and Special Right Offer Price*”.

#### **3.3 Conditions to Completion**

Under the Combination Agreement, the obligation of the Offeror to consummate the Tender Offer is subject to the fulfillment or, to the extent permitted by applicable laws and regulations, waiver by the Offeror of the Conditions to Completion (as defined and described in section “*Terms and Conditions of the Tender Offer—Conditions to Completion of the Tender Offer*”) on or prior to the date of the Offeror’s announcement of the final result of the Tender Offer.

#### **3.4 Recommendation by the Board of Directors of the Company**

Having evaluated the terms and conditions of the Tender Offer from the point of view of Avidly and the holders of the Shares and holders of the Special Rights, the Board of Directors of Avidly unanimously recommends that the holders of the Shares and holders of the Special Rights accept the Tender Offer.

Pursuant to the Combination Agreement, the Board of Directors of Avidly may withdraw or modify its recommendation if the Board of Directors of Avidly determines in good faith due to a material Effect (as defined below) occurring or becoming known after the Announcement Date, after taking advice from reputable external legal and financial adviser, that it would clearly no longer be in the best interest of the holders of the Shares and holders of the Special Rights to accept the Tender Offer, and that such withdrawal or modification of the recommendation is required for the Board of Directors of Avidly to comply with its mandatory fiduciary duties. Prior to and as a precondition for withdrawing or modifying its recommendation, the Board of Directors of Avidly shall adhere to certain agreed procedures, including giving the Offeror the opportunity to enhance the Tender Offer or otherwise remedy the Effect (as defined below) giving rise to the withdrawal or modification of the recommendation, and consider in good faith such enhanced Tender Offer or remedy, if any, when finally resolving upon a possible withdrawal or modification of the recommendation.

The Board of Directors of Avidly may resolve to withdraw or modify its recommendation if a third party publishes its firm decision to offer to purchase the outstanding Shares and Special Rights in Avidly through a public tender offer which is

serious and capable of being completed in an expedient manner and for which financing has been secured as required under the Securities Market Act and the Helsinki Takeover Code (“**Competing Offer**”), or if the Company receives any oral or written proposal, offer or indication of interest that could reasonably be expected to lead to a Competing Offer or to any other transaction, including sale of shares, assets or businesses, share issue, merger, demerger, recapitalization or other restructuring of the share capital, financing transaction or any other corporate transaction involving Avidly and its affiliates, that could constitute or result in any competing transaction or otherwise substantially harm or hinder the launch or completion of the Tender Offer (such proposal, offer or indication of interest hereinafter a “**Competing Proposal**”). The Board of Directors of Avidly may resolve to withdraw or modify its recommendation if the Board of Directors of Avidly determines in good faith, after taking advice from reputable external legal and financial advisers, that (i) the Competing Offer or the Competing Proposal is clearly more favorable to the holders of the Shares and holders of the Special Rights than the Tender Offer (including as and to the extent enhanced pursuant to the Combination Agreement) both from a financial point of view and when assessed as a whole, and therefore that (ii) it would no longer be in the best interest of the holders of the Shares and holders of the Special Rights to accept the Tender Offer, and that such withdrawal or modification of the recommendation is required for the Board of Directors of Avidly to comply with its mandatory fiduciary duties. Prior to and as a precondition for withdrawing or modifying its recommendation, the Board of Directors of Avidly shall adhere to certain agreed procedures which, *inter alia*, allow the Offeror to assess the Competing Offer or Competing Proposal and to enhance its Tender Offer. If the Offeror enhances the Tender Offer such that the enhanced Tender Offer as a whole, in the reasonable opinion of the Board of Directors of Avidly, after taking advice from reputable external legal and financial advisers, is no less favorable to the holders of the Shares and holders of the Special Rights than the Competing Offer or the Competing Proposal, the Board of Directors of Avidly shall confirm and uphold its recommendation (as amended based on the enhanced Tender Offer) for the Tender Offer, as enhanced, and shall promptly discontinue any discussions with the party having made the Competing Offer or the Competing Proposal.

### **3.5 Representations and Warranties**

In the Combination Agreement, Avidly has given to the Offeror certain representations and warranties relating to, among other things:

- Avidly and its affiliates being duly organized and validly existing and Avidly having the corporate power and authority to execute the Combination Agreement and to perform its obligations thereunder;
- neither the execution of the Combination Agreement, the performance of the obligations under the Combination Agreement nor the consummation of the Tender Offer (i) conflicting with any applicable laws or regulations or the constitutional documents of Avidly or any of its affiliates, or (ii) resulting in a breach, cancellation, non-renewal or termination of any material permit, license, approval or agreement of Avidly or any of its affiliates;
- the latest consolidated financial statements of Avidly having been prepared in conformity with relevant laws and accounting standards and being complete and correct in all material respects and giving a true and fair view of the consolidated profits or losses, results of operations and the financial condition, the state of affairs, and the assets and the liabilities of Avidly and its consolidated subsidiaries, and the latest interim report having been prepared on a basis materially consistent with the relevant laws and accounting standards and accurately reflecting in all material respects (and not materially misstating) the consolidated results of operations, the financial condition and the state of affairs of Avidly and its consolidated subsidiaries;
- the number of Shares issued by Avidly, and Avidly not having issued any option rights or other securities entitling to shares in Avidly other than the Special Rights;
- Avidly not being in the process of discussing, or aware of, any Competing Offers or Competing Proposals as at the Announcement Date;
- neither Avidly nor any of its affiliates being insolvent under the laws of the jurisdiction of its incorporation or unable to pay its debts as they fall due, or being subject to insolvency proceedings and no events having occurred which, under applicable laws, would justify such proceedings;
- Avidly having duly and timely fulfilled its disclosure obligations under applicable laws and regulations and the rules of First North, and prepared all information it has provided for the purposes of the Offeror’s due diligence review in good faith, and such information being in all material respects true and accurate;
- Avidly and its affiliates being and having been in compliance in all material respects with (i) applicable material laws and regulations, and (ii) the terms and conditions set out in any permits, operational licenses, approvals and authorizations granted to Avidly or any of its affiliates;
- Avidly and its affiliates having the licenses, permits and authorizations from relevant authorities necessary for the conduct of their respective businesses as conducted on the Announcement Date;

- neither Avidly or any of its affiliates, nor any director or officer of Avidly or any of its affiliates nor, to the knowledge of Avidly, any person acting for or on the behalf of Avidly or any of its affiliates being subject of any sanctions administered by any relevant sanctions authorities, and Avidly or any of its affiliates having not knowingly engaged in, and not currently being knowingly engaged in, any dealings or transactions with any person or country that at the time of the dealing or transaction is or was prohibited under such sanctions to the extent such dealing or transaction would result in Avidly or any its affiliates being in breach of any of such sanctions;
- there not being, and there not having during the three (3) years preceding the signing of the Combination Agreement been, any pending or threatened material lawsuits, actions, claims, investigations or legal, administrative, arbitration or other similar proceedings involving Avidly or any of its affiliates, and there not having arisen any circumstances giving rise to such lawsuits, actions, claims, investigations or proceedings;
- Avidly and its affiliates complying in all material respects with (i) all director and employment agreements, bonus schemes and incentive plans, and (ii) all relevant employment legislation and collective bargaining agreements;
- Avidly and any of its affiliates not being or any contracting counterparty not being in material breach of any material agreement, and neither Avidly nor any of its affiliates having as at the Announcement Date received or given a notice of breach or termination of any material agreement, and there not having arisen any circumstances giving rise to any such breach or termination, and there having been no indication that any counterparty to any material agreement, arrangement, or other obligation binding on Avidly or any of its affiliates will stop or materially reduce its business with Avidly or any of its affiliates;
- Avidly and its affiliates owning or otherwise lawfully using or holding all intellectual property rights necessary for or currently used in their respective businesses as currently conducted, and Avidly and its affiliates having fulfilled their obligations concerning employee inventions, and there being no pending claims of infringement, misuse, violation or breach by Avidly or any of its affiliates of any intellectual property rights owned or controlled by another person or entity, and there not having arisen any circumstances giving rise to such claims, and none of the intellectual property owned by Avidly or any of its affiliates being infringed or opposed by any person;
- Avidly and all of its affiliates having filed all material tax returns required to be filed by them and there being no tax related actions or disputes pending or threatened with respect to them;
- Avidly not having any undisclosed liabilities or obligations, whether or not required by the applicable accounting standards be reflected on the consolidated balance sheet of Avidly, except for liabilities and obligations (i) incurred in connection with the Combination Agreement or the transactions contemplated by or in connection with the Combination Agreement, (ii) incurred in the ordinary course of business, or (iii) that, individually or in the aggregate, have not resulted in and would not reasonably be expected to result in a Material Adverse Change (as defined below);
- Avidly and any of its affiliates or their respective officers, directors, employees or representatives, directly or indirectly, whether in cash, property or services not having (i) used any of their funds for unlawful contributions or other unlawful payments related to political activity, (ii) made any bribes, influence payments or other unlawful payment to government officials or employees or political parties or campaigns, (iii) otherwise taken any action that would cause them to be in violation of the Finnish Penal Code (39/1889, as amended) or any other applicable anti-corruption and/or anti-bribery law and regulations, or (iv) made or accepted any other unlawful payments; and
- Avidly being unaware on the Announcement Date of any Effect (as defined below) that constitutes or is likely to result in a Material Adverse Change (as defined below).

In the Combination Agreement, the Offeror has given to Avidly certain representations and warranties relating to, among other things:

- the Offeror being duly organized and validly existing and having the corporate power and authority to execute the Combination Agreement and to perform its obligations thereunder;
- neither the execution of the Combination Agreement, the performance of the obligations under the Combination Agreement nor the consummation of the Tender Offer conflicting with any applicable laws or regulations or the constitutional documents of the Offeror;
- there being no claims, actions, proceedings or investigations pending or threatened against the Offeror which could potentially delay or prevent the Offeror's ability to consummate the Tender Offer;
- the Offeror having secured necessary and adequate financing to complete the Tender Offer (including any subsequent mandatory redemption proceedings in accordance with the Finnish Companies Act);
- as at the Announcement Date, the Offeror not having any obligation to make any filing, give any notice to, or

obtain any approval of any governmental or regulatory authority for the consummation of the Tender Offer, other than the merger control clearance by the Finnish Competition and Consumer Authority, as well as any filings, notices or approvals which, if not made or obtained, would not have an adverse effect on the Offeror's ability to consummate the Tender Offer; and

- as at the Announcement Date, the Offeror being unaware of any Material Adverse Change (as defined below) or other facts, events or occurrences which could reasonably be expected to materially and adversely affect the Offeror's ability to consummate the Tender Offer.

The representations and warranties shall automatically terminate upon the Settlement Date (as defined below) thereby having no further effect after such date.

### 3.6 Undertakings

Under the Combination Agreement, the Parties have given each other certain undertakings, most of which shall automatically terminate upon the title to the Shares and the Special Rights validly tendered in the Tender Offer passing to the Offeror pursuant to the Tender Offer, thereby having no further effect after such date. The undertakings relate to the procedures to be followed in connection with the Tender Offer, including, among other things, the following:

- Avidly has undertaken not to, and to cause each of its affiliates as well as its and their representatives not to, directly or indirectly, solicit, encourage, facilitate, promote, initiate or continue any discussions or participate in any negotiations concerning, provide information with respect to Avidly or any of its affiliates to any person in connection with, or otherwise contribute to, promote or cooperate with any person in relation to (such actions hereafter "**Promoting Measures**") a Competing Proposal. However, if Avidly receives a serious bona fide written Competing Proposal, then the Board of Directors of Avidly will not be precluded from engaging in Promoting Measures with respect to such Competing Proposal if and to the extent the Board of Directors of Avidly determines in good faith, after taking advice from reputable external legal and financial advisers, that the Competing Proposal is clearly more favorable to the holders of the Shares and holders of the Special Rights than the Tender Offer both from a financial point of view and when assessed as a whole, as set out in the Combination Agreement, and therefore that Promoting Measures are required in order for the Board of Directors of Avidly to comply with its mandatory fiduciary duties, and provided further that the Board of Directors has complied with certain agreed procedures allowing the Offeror to assess the Competing Proposal, including informing the Offeror of any Competing Proposals together with reasonably detailed particulars, and providing the Offeror in good faith with an opportunity to negotiate with the Board of Directors of Avidly about matters arising from the Competing Proposal;
- Avidly has undertaken to, and to cause each of its affiliates, as between the Announcement Date and the Settlement Date (as defined below), conduct their respective businesses in all material respects in the ordinary course of business and to refrain from making or implementing any material changes or certain actions without the prior consent of the Offeror, unless required to do so under applicable laws and regulations or the Combination Agreement;
- each Party has undertaken to use its reasonable best efforts to do or cause to be done all reasonably required actions and to assist and cooperate with the other Party in, among others, the making of any required registrations and filings with relevant competition authorities and any other governmental entities or regulatory authorities, any company releases or press releases required by applicable laws and regulations or the rules of First North and the execution and/or delivery of any additional corporate resolutions or instruments necessary to consummate the Tender Offer;
- at the Offeror's request, after the Tender Offer has become unconditional, Avidly has undertaken to use its reasonable best efforts to (i) register and list on First North any shares to be issued under the LTIP to the extent the holders of the related Special Rights have subscribed for shares based on such Special Rights (which conversion may take place upon request of the Offeror in lieu of transfer of the Special Rights to the Offeror in accordance with the Tender Offer) and (ii) otherwise give effect to the irrevocable undertakings provided by the holders of Special Rights;
- Avidly has undertaken to provide the Offeror with access to information regarding Avidly and its affiliates for purposes of, for example, necessary regulatory filings, releases, press releases or other communications that are required by applicable laws and regulations or the rules of First North or are otherwise customary on First North, or by completion of the Tender Offer or to evaluate the existence of any Material Adverse Change (as defined below) or any possible breach of the warranties or undertakings of Avidly under the Combination Agreement;
- the Board of Directors of Avidly has undertaken to convene at the request of the Offeror an extraordinary general meeting of shareholders of Avidly for the purpose of electing new members to the Board of Directors of Avidly after the Offeror has publicly announced that it will complete the Tender Offer;
- the Offeror has undertaken, or cause Avidly and each of its subsidiaries, to maintain in effect for six (6) years from

the Settlement Date (as defined below), current liability insurance policies maintained by Avidly in respect of the members of the Boards of Directors, the CEO and other officers of Avidly, its subsidiaries and associated companies (to the extent such persons are currently covered by such insurance) with respect to matters occurring or having occurred prior to the Settlement Date (as defined below), provided that the Offeror may substitute such policies with new policies of at least substantially equivalent coverage and otherwise containing terms and conditions that are not substantially less favorable to the beneficiaries;

- each Party has undertaken to notify the other Party of certain events and to consult with each other in connection with the making of any registrations or filings related to the Tender Offer with governmental entities, stock exchanges or regulatory authorities or before issuing any public announcements relating to the Tender Offer;
- the Offeror has undertaken to take such actions as may be reasonably necessary to discharge the resigning members of the Board of Directors of Avidly and the CEO as well as the boards and CEOs of the subsidiaries of Avidly with respect to the periods during which they have served at the next annual general meeting of shareholders of the respective group companies following the Settlement Date (as defined below), provided that there are no reasonable and objective legal reasons against a customary discharge from liability (or corresponding legal concept in the relevant jurisdiction) and the auditors of the respective group companies do not recommend against granting such release or discharge; and
- each Party has undertaken to comply with the recommendations set out in the Helsinki Takeover Code as and to the extent applicable to the Tender Offer or, in the event of a justified deviation, to the extent practically possible before taking any action, explain the reasons for such deviation to the other Party.

### 3.7 Termination

The Combination Agreement may be terminated at any time prior to the Settlement Date (as defined below) as follows:

- by either Party upon a material breach of any of the warranties, undertakings or obligations (or to the extent such warranty, undertaking or obligation is qualified by materiality, any breach thereof) given by the other Party under the Combination Agreement and such breach is incapable of being cured prior to 31 January 2023 or, if capable of being cured prior to 31 January 2023, has not been cured within twenty (20) days of the other Party providing written notice thereof and in any case three (3) Finnish banking days prior to the end of the Offer Period;
- by the Offeror, if the Board of Directors of Avidly has for any reason resolved to withdraw or modify the recommendation to accept the Tender Offer;
- by Avidly, if the Board of Directors of Avidly has resolved to withdraw or modify the recommendation to accept the Tender Offer in compliance with certain requirements set forth in the Combination Agreement;
- by either Party, if a final, non-appealable injunction or other order issued by any court of competent jurisdiction or other final, non-appealable legal restraint or prohibition preventing the consummation of the Tender Offer shall have taken effect after the Announcement Date and remains in effect, provided that the right to terminate the Combination Agreement will not be available to a Party whose breach of any warranty, undertaking or obligation under the Combination Agreement has resulted in such order, restraint or prohibition;
- by either Party, if the Settlement Date (as defined below) has not occurred by 31 January 2023, provided that the right to terminate the Combination Agreement will not be available to a Party whose breach of any warranty, undertaking or obligation under the Combination Agreement has resulted in the failure of the Settlement Date (as defined below) to occur by such date; or
- by the Offeror, by giving Avidly a written notice, with immediate effect at any time prior to the Settlement Date (as defined below), should any of the Conditions to Completion (as defined below) become incapable of satisfaction, provided that the Offeror shall simultaneously with such termination publicly announce that it will not complete the Tender Offer, allow the Tender Offer to lapse, or withdraw the Tender Offer, as applicable.

If the Combination Agreement has expired or been terminated for any other reason than the consummation of the Tender Offer, the Offeror may refrain from completing, or allow to lapse, or withdraw the Tender Offer, as applicable, in accordance with applicable laws and regulations and the terms and conditions of the Tender Offer.

Notwithstanding the above, if the Offer Period has commenced, the Offeror may only terminate the Combination Agreement so as to cause the Tender Offer not to proceed, to lapse or to be withdrawn if the circumstances which give rise to the right to invoke the relevant termination right have material significance to the Offeror in view of the Tender Offer, as referred to in the Regulations and Guidelines 9/2013 of the FFSA (Public takeovers and mandatory offer obligation), as amended.

### **3.8 Governing Law and Disputes**

The Combination Agreement is governed by and construed in accordance with the laws of Finland, excluding the application of its conflict of law rules.

Any dispute, controversy or claim arising out of or relating to the Combination Agreement, or the breach, termination or validity thereof, will be finally settled by arbitration in accordance with the Arbitration Rules of the Finland Chamber of Commerce.

## 4. TERMS AND CONDITIONS OF THE TENDER OFFER

### 4.1 Object of the Tender Offer

Through a recommended voluntary public cash tender offer in accordance with Chapter 11, Section 27 of the Finnish Securities Market Act (746/2012, as amended, the “Securities Market Act”) and subject to the terms and conditions set forth herein, Anton Holding II Oy (the “Offeror”) offers to acquire all of the issued shares (the “Shares” or, individually, a “Share”) and special rights (the “Special Rights” or, individually, a “Special Right”) in Avidly Plc (the “Company” or “Avidly”) that are not held by the Company or any of its subsidiaries (the “Tender Offer”). The ISIN code of the Shares is FI0009015580.

The Offeror is a private limited liability company incorporated under the laws of Finland. As at the date of the Tender Offer Document, the Offeror is indirectly wholly owned by Goldcup 31291 AB (a registration of a name change to Antoninvest Holding AB is pending) (“Adelis Swedish HoldCo”), which was incorporated to be the holding company in the acquisition structure. Adelis Swedish HoldCo is wholly owned by Adelis Holding III AB through Adelis Equity Partners Fund III AB (“Adelis Fund III”) and its affiliated entities.

Avidly is a public limited liability company incorporated under the laws of Finland, and its Shares are admitted to trading on First North Growth Market Finland maintained by Nasdaq Helsinki Ltd (“First North”).

The Tender Offer was announced by the Offeror on 12 July 2022 (the “Announcement Date”). The Offeror and the Company have on the Announcement Date entered into a combination agreement (the “Combination Agreement”) pursuant to which the Offeror makes the Tender Offer.

### 4.2 Share Offer Price and Special Right Offer Price

The price offered for each Share validly tendered and not properly withdrawn in accordance with the terms and conditions of the Tender Offer is EUR 5.50 in cash (the “Share Offer Price”), subject to possible adjustments as described below.

The price offered for each Special Right validly tendered and not properly withdrawn in accordance with the terms and conditions of the Tender offer is EUR 5.49 in cash (the “Special Right Offer Price”), subject to possible adjustments as described below.

The Share Offer Price has been determined based on 5,339,537 issued and outstanding Shares and the Special Right Offer Price has been determined based on 569,580 Special Rights as at the Announcement Date. Should the number of Shares or instruments entitling to shares change as a result of a new issuance of shares or instruments entitling thereto (other than the issuance of 569,580 shares in connection with the LTIP and the related conversion of each Special Right into shares in the Company as may be requested by the Offeror), reclassification, stock split or any other similar transaction, or should the Company distribute a dividend or otherwise distribute funds or any other assets to its shareholders or should a record date with respect to any of the foregoing occur prior to the Settlement Date (as defined below), the Share Offer Price and the Special Right Offer Price will be reduced accordingly on a euro-for-euro basis. Any reduction of the Share Offer Price and the Special Right Offer Price pursuant to the above shall be announced by way of a release. If the Share Offer Price and the Special Right Offer Price are reduced, the Offer Period (as defined below) shall continue for at least ten (10) Finnish banking days following such announcement.

### 4.3 Offer Period

The acceptance period under the Tender Offer commences on 25 July 2022 at 9:30 a.m. (Finnish time) and expires on 2 September 2022 at 4:00 p.m. (Finnish time), unless the offer period is extended or discontinued as set forth below (the “Offer Period”, which is defined to also include any extensions to or suspensions of the Offer Period).

The Offeror may extend the Offer Period (i) from time to time until such time when all of the Conditions to Completion (as defined below) have been fulfilled or waived, (ii) in case of any competing offer as referred to in Chapter 11, Section 17 of the Securities Market Act, and (iii) with a Subsequent Offer Period (as defined below) in connection with the announcement of the final result of the Tender Offer whereby the Offeror also declares the Tender Offer unconditional, all as set forth below.

The Offeror will announce any extension of the initial Offer Period through a release at the latest on the first (1st) Finnish banking day following the expiry of the Offer Period, i.e., on 5 September 2022. The Offeror will announce any extension of an already extended Offer Period or an extension of a discontinued Offer Period (or a discontinued extended Offer Period) at the latest on the first (1st) Finnish banking day following the expiry of the extended Offer Period or the discontinued Offer Period (or the discontinued extended Offer Period).

The Offer Period may be extended for a specified period of time or until further notice. However, the duration of any possible extension of the Offer Period shall be at least two (2) weeks from the date of the announcement by the Offeror concerning

such extension. If the Offeror extends the Offer Period, it will expire on the date and at the time until which the Offeror extends the Offer Period unless the extended Offer Period is discontinued as set forth below or the Offer Period is extended until further notice, in which case the Offer Period will continue until discontinued as set forth below.

The duration of the Offer Period in its entirety may be ten (10) weeks at the maximum. However, if the Conditions to Completion (as defined below) have not been fulfilled due to a particular obstacle comparable to that referred to in Chapter 11, Section 12 of the Securities Market Act such as, for example, pending approval by a competition authority, the Offeror may extend the Offer Period beyond ten (10) weeks until such obstacle has been removed and the Offeror has had a reasonable time to consider the situation in question, provided that the business operations of the Company are not hindered for longer than is reasonable. The Offer Period may also be extended as required under applicable laws and regulations. The expiry date of any extended Offer Period will in such cases be published by the Offeror at least two (2) weeks before such expiry. Further, any Subsequent Offer Period (as defined below) may extend beyond ten (10) weeks.

The Offeror may discontinue the Offer Period should all the Conditions to Completion (as defined below) be fulfilled or waived by the Offeror before the expiry of the Offer Period and execute the sale and purchase of the Shares and Special Rights validly tendered and not properly withdrawn in accordance with section “—*Terms of Payment and Settlement*” below. However, the duration of the Offer Period shall be at least three (3) weeks from the date of the commencement of the Offer Period, i.e., 25 July 2022. If the Offeror discontinues the Offer Period, the Offeror will announce its decision thereon through a release as soon as possible after such decision has been made and, in any case, at least two (2) weeks before the expiry of the Offer Period to be discontinued. If the Offeror discontinues the Offer Period, the Offer Period will expire on such earlier date and at the time indicated in the announcement made by the Offeror.

The Offeror reserves the right to extend the Offer Period in connection with the announcement of the final result of the Tender Offer as set forth in section “—*Announcement of the Result of the Tender Offer*” below (such extended Offer Period shall be referred to as the “**Subsequent Offer Period**”). In the event of such Subsequent Offer Period, the Subsequent Offer Period will expire on the date and at the time determined by the Offeror in the announcement concerning the final result of the Tender Offer. The expiration of a Subsequent Offer Period will be announced by way of a release at least two (2) weeks before the expiry of such Subsequent Offer Period. The Offeror may also extend the Subsequent Offer Period by announcing this through a release at the latest on the first (1st) Finnish banking day following the initially expected expiry of the Subsequent Offer Period.

#### **4.4 Conditions to Completion of the Tender Offer**

The obligation of the Offeror to complete the Tender Offer is subject to the fulfillment or, to the extent permitted by applicable laws and regulations, waiver by the Offeror of each of the following conditions agreed upon in the Combination Agreement (jointly, the “**Conditions to Completion**”) on or prior to the date of the Offeror’s announcement of the final result of the Tender Offer:

- (i) the valid tender of Shares and Special Rights representing, together with any other Shares and Special Rights otherwise acquired by the Offeror, more than ninety (90) percent of the issued and outstanding Shares and voting rights in the Company, calculated in accordance with Chapter 18, Section 1 of the Finnish Companies Act and on a fully diluted basis;
- (ii) the receipt of all necessary regulatory approvals, permits and consents, including merger control clearances, and that any conditions set or remedies or commitments required in such approvals, permits, consents or clearances, including any requirements to divest or hold separate any assets or operations, or to reorganize the business, are in each case satisfactory to the Offeror in that they do not (A) constitute or are likely to result in a Material Adverse Change (as defined below) or (B) impose a requirement on the Offeror to agree to any measures with respect to any of its affiliates or any of their respective portfolio companies;
- (iii) no Material Adverse Change (as defined below) having occurred after the Announcement Date;
- (iv) the Offeror not, after the Announcement Date, having received new information that constitutes a Material Adverse Change (as defined below);
- (v) no information made public by the Company or disclosed by the Company to the Offeror being materially inaccurate, materially incomplete, or materially misleading, and the Company not having failed to make public any information that should have been made public by it under applicable laws and regulations or the rules of First North, provided that, in each case, the information made public, disclosed or not disclosed or the failure to disclose information constitutes a Material Adverse Change (as defined below);
- (vi) no law or regulation having been enacted and no court or regulatory authority of competent jurisdiction having given an order or issued any regulatory action that would prevent, materially postpone or materially challenge the completion of the Tender Offer in accordance with its terms;

- (vii) the Board of Directors of the Company having issued the recommendation to accept the Tender Offer and the recommendation remaining in full force and effect and not having been withdrawn or modified (excluding technical modifications or change of the recommendation required under applicable laws or the Helsinki Takeover Code as a result of a Competing Offer so long as the recommendation to accept the Tender Offer is upheld);
- (viii) the Combination Agreement not having been terminated and remaining in force and no event having occurred that would give the Offeror the right to terminate the Combination Agreement; and
- (ix) each undertaking issued by each of the Major Shareholders to accept the Tender Offer remaining in force in accordance with its terms.

“**Material Adverse Change**” means (i) any divestment or reorganization of all or any material part of the assets of the Company and its affiliates, taken as whole; (ii) the Company or any material affiliate of the Company (other than Avidly AB (registration number 559083-1664) which is undergoing a solvent liquidation proceeding) becoming insolvent, subject to administration, bankruptcy or any other equivalent insolvency proceedings; (iii) any outbreak or escalation of major hostilities or act of war or terrorism directly involving the United States, the United Kingdom, Sweden, Finland or any other state where the Company and its affiliates have material operations or business that, individually or in the aggregate, has, results in or would reasonably be expected to have or result in a material adverse effect on the business, assets, prospects, financial condition or results of operations of the Company and its affiliates taken as a whole, at any time or over time; (iv) any material and continuing disruptions in the financial systems of the United States, the United Kingdom, Sweden or Finland, including a suspension of or material limitation in trading in securities generally on Nasdaq Helsinki or Stockholm, the London Stock Exchange or the New York Stock Exchange or a general moratorium on commercial banking activities in Finland, Sweden the United Kingdom or the United States by any relevant authority or a material disruption in commercial banking services in Finland, Sweden the United Kingdom or the United States, that, individually or in the aggregate, has, results in or would reasonably be expected to have or result in a material adverse effect on the business, assets, prospects, financial condition or results of operations of the Company and its affiliates taken as a whole, at any time or over time, or prevents, other than on a temporary basis, wire transfer payments in or out of Finland or Sweden; or (v) any other event, condition, circumstance, development, occurrence, change, effect or fact (any such item an “**Effect**”) that individually or in the aggregate when combined with other Effects, has, results in or would reasonably be expected to have or result in a material adverse effect on the business, assets, prospects, financial condition or results of operations of the Company and its affiliates taken as a whole, at any time or over time.

However, none of the following shall be deemed to constitute or contribute to a Material Adverse Change or material adverse effect to the extent they arise from: (i) political, financial, industry, economic (including with respect to interest rates or currency exchange rates) or regulatory conditions generally so long as they do not have a materially disproportionate effect on the Company and its affiliates relative to other companies operating in the industry or industries in same jurisdictions in which the Company and its affiliates operate; (ii) any natural disaster, escalation or exacerbation of the Covid-19 pandemic or outbreak of any other disease, outbreak of major hostilities or act of war or terrorism so long as they do not have a materially disproportionate effect on the Company and its affiliates relative to other companies operating in the industry or industries in same jurisdictions in which the Company and its affiliates operate; (iii) any matters that have been fairly disclosed in the disclosure material, made available to the Offeror, its affiliates and/or their advisors by the Company before 8 July 2022, in a manner enabling a prudent and professional reviewer to understand and assess the relevance of such risk, fact, matter, occurrence or event in relation to the warranties given by the Company or published through a company release of the Company (including any publicly disclosed annual reviews, half-year financial reports or business reviews of the Company) prior to the Announcement Date; (iv) the failure of the Company to meet any internal or published projections, forecasts, estimates or predictions in respect of revenues, earnings, net asset value or other financial or operating metrics before, on or after the Announcement Date, provided that nothing provided in this clause (iv) shall prevent or otherwise affect the determination whether any Effect underlying such failure constitutes or contributes to a Material Adverse Change; (v) changes in the market price or trading volume of the Company’s financial instruments, provided that nothing provided in this clause (v) shall prevent or otherwise affect the determination whether any Effect underlying such changes constitutes or contributes to a Material Adverse Change; (vi) the public announcement and completion of the Tender Offer; or (vii) any actions taken by the Company at the express written request or with the express written consent of the Offeror.

The Conditions to Completion set out above are exhaustive. The Offeror may only cause the Tender Offer not to proceed, to lapse or to be withdrawn if any of the Conditions to Completion becomes incapable of satisfaction, provided that the Effect which gives rise to the right to invoke the relevant Condition to Completion has material significance to the Offeror in view of the Tender Offer, as referred to in the Regulations and Guidelines 9/2013 of the Finnish Financial Supervisory Authority (Public takeovers and mandatory offer obligation), as amended. Without limiting the foregoing, the Company and Offeror have agreed in the Combination Agreement that any requirement imposed on the Offeror to agree to any measures with respect to any of its affiliates or any of their respective portfolio companies as referred to in the Condition to Completion in section (ii) above will be deemed to have such material significance to the Offeror in view of the Tender Offer.

The Conditions to Completion set out herein are the exhaustive conditions for the completion of the Tender Offer. The Offeror reserves the right to waive, to the extent permitted by applicable laws and regulations, any of the Conditions to Completion that have not been fulfilled. If all the Conditions to Completion have been fulfilled or the Offeror has waived the requirement for the fulfilment of all or some of them, which will be announced by way of a release no later than on the date

the Offeror announces the final result of the Tender Offer, the Offeror will complete the Tender Offer in accordance with the terms and conditions of the Tender Offer after the expiration of the Offer Period by purchasing Shares and Special Rights validly tendered in the Tender Offer and paying the Share Offer Price and the Special Right Offer Price, as applicable, to the holders of Shares and/or Special Rights that have validly accepted the Tender Offer in accordance with section “—*Terms of Payment and Settlement*” below.

#### **4.5 Obligation to Increase the Share Offer Price and Special Right Offer Price and to Pay Compensation**

The Offeror reserves the right to acquire Shares and/or Special Rights in public trading on First North or otherwise outside the Tender Offer before, during and after the Offer Period and any Subsequent Offer Period to the extent permitted by applicable laws and regulations.

Should the Offeror or any party acting in concert with it as referred to in Chapter 11, Section 5 of the Securities Market Act acquire Shares and/or Special Rights after the Announcement Date and before the expiry of the Offer Period (including any Subsequent Offer Period) at a price higher than the Share Offer Price or the Special Right Offer Price, or otherwise on terms that are more favorable than those of the Tender Offer, the Offeror must, according to Chapter 11, Section 25 of the Securities Market Act, amend the terms and conditions of the Tender Offer to correspond to such acquisition on more favorable terms (*obligation to increase the offer*). The Offeror shall then, without delay, make public the increase obligation and pay, in connection with the completion of the Tender Offer, the difference between the more favorable acquisition terms and the Share Offer Price or the Special Right Offer Price to the holders of Shares and holders of Special Rights who have accepted the Tender Offer.

Should the Offeror or any party acting in concert with it as referred to in Chapter 11, Section 5 of the Securities Market Act acquire Shares and/or Special Rights within nine (9) months after the expiry of the Offer Period (including any Subsequent Offer Period) at a price higher than the Share Offer Price or the Special Right Offer Price, or otherwise on more favorable terms than those of the Tender Offer, the Offeror must, according to Chapter 11, Section 25 of the Securities Market Act, compensate those holders of securities who have accepted the Tender Offer for the amount equal to the difference between the more favorable acquisition terms and the consideration offered in the Tender Offer (*obligation to compensate*). The Offeror shall then, without delay, make public the compensation obligation and pay the difference between the more favorable acquisition terms and the Share Offer Price or the Special Right Offer Price within one (1) month after the date when the compensation obligation arose to the holders of Shares and holders of Special Rights who have accepted the Tender Offer.

However, according to Chapter 11, Section 25, Subsection 5 of the Securities Market Act, the compensation obligation shall not arise in case the payment of a higher price than the Share Offer Price is based on an arbitral award pursuant to the Finnish Companies Act, provided that the Offeror or any party acting in concert with it as referred to in Chapter 11, Section 5 of the Securities Market Act has not offered to acquire Shares or Special Rights on terms that are more favorable than those of the Tender Offer before or during the arbitral proceedings.

#### **4.6 Acceptance Procedure of the Tender Offer**

##### ***Shares***

The Tender Offer may be accepted by a shareholder registered during the Offer Period in the shareholders’ register of Avidly, with the exception of Avidly and its subsidiaries. Acceptance of the Tender Offer must be submitted separately for each book-entry account. A shareholder of the Company giving the acceptance must have a cash account with a financial institution operating in Finland or abroad (see also “—*Terms of Payment and Settlement*” and “*Important Information*”). A shareholder may only accept the Tender Offer unconditionally and with respect to all Shares on the book-entry account mentioned in the acceptance form on the date and time of the execution of the sale and purchase of the Shares, subject to the right to withdraw the acceptance for the Shares tendered in accordance with the terms and conditions of the Tender Offer. An acceptance given during the Offer Period is effective also until the expiry of an extended or discontinued Offer Period, if any.

Most Finnish book-entry account operators are expected to send a notification of the Tender Offer, including instructions and the relevant acceptance form to their customers who are registered as shareholders in the shareholders’ register of Avidly maintained by Euroclear Finland Oy (“**Euroclear**”). Shareholders of Avidly who do not receive such instructions or an acceptance form from their book-entry account operator or asset manager should primarily contact their own book-entry account operator or asset manager. Secondly, such shareholders can contact Evli Plc (“**Evli**”) by sending an email to operations@evli.com in order to receive information for submitting their acceptance.

Those shareholders of Avidly whose Shares are registered in the name of a nominee and who wish to accept the Tender Offer shall effect such acceptance in accordance with the relevant nominee’s instructions. The Offeror will not send acceptance forms or any other documents related to the Tender Offer to shareholders whose Shares are registered in the name of a nominee.

With respect to pledged Shares, acceptance of the Tender Offer requires the consent of the relevant pledgee. The obtaining of such consent is the responsibility of the relevant shareholders of Avidly. The pledgee's consent shall be delivered to the book-entry account operator in writing.

A shareholder of Avidly who is registered as a shareholder in the shareholders' register of Avidly and who wishes to accept the Tender Offer shall submit a properly completed and duly executed acceptance form to the book-entry account operator managing the shareholder's book-entry account in accordance with its instructions and within the time limit set by the book-entry account operator or, in the case such book-entry account operator does not accept acceptance notifications, such shareholder shall primarily contact his/her/its own bank to give his/her/its acceptance to tender his/her/its Shares, or secondarily contact Evli by sending an email to [operations@evli.com](mailto:operations@evli.com) for further information. The acceptance form shall be submitted so that it is received during the Offer Period or, in the event of a Subsequent Offer Period, during the Subsequent Offer Period, however, always in accordance with the instructions of the relevant book-entry account operator. Book-entry account operators may request the receipt of acceptances prior to the expiry of the Offer Period. Shareholders of Avidly submit acceptances at their own risk. Any acceptance will be deemed submitted only when actually received by the relevant book-entry account operator. The Offeror reserves the right to reject any acceptance given in an incorrect or incomplete manner. The Offeror may also reject any partial tender of the Shares per book-entry account.

By accepting the Tender Offer, the shareholder of Avidly authorizes the book-entry account operator managing the shareholder's book-entry account to enter a transfer restriction or a sales reservation into the shareholder's book-entry account after the shareholder has delivered his/her/its acceptance of the Tender Offer. In addition, the shareholder who has accepted the Tender Offer authorizes the book-entry account operator managing the shareholder's book-entry account to perform the necessary entries and to take all other actions required to technically execute the Tender Offer and to sell all the Shares held on such book-entry account at the time of the execution of trades under the Tender Offer to the Offeror in accordance with the terms and conditions of the Tender Offer.

A shareholder who has validly accepted the Tender Offer and has not properly withdrawn his/her/its acceptance in accordance with the terms and conditions of the Tender Offer may not sell or otherwise dispose of his/her/its tendered Shares. A transfer restriction or a sales reservation in respect of the Shares will be registered in the relevant book-entry account after the shareholder has submitted the acceptance for the Tender Offer. In connection with the completion trades of the Tender Offer or the clearing thereof, the transfer restriction or sales reservation will be removed and the Share Offer Price will be transferred to the relevant shareholder of Avidly. If the Tender Offer is not completed or if the acceptance is properly withdrawn by the shareholder in accordance with the terms and conditions of the Tender Offer, the transfer restriction or sales reservation registered on the tendered Shares in the relevant book-entry account will be removed as soon as possible and within approximately three (3) Finnish banking days following the announcement that the Tender Offer will not be completed or the receipt of a notice of withdrawal in accordance with the terms and conditions of the Tender Offer.

By giving an acceptance of the Tender Offer, the shareholder of Avidly authorizes its depository participant to disclose the necessary personal data, the number of his/her/its book-entry account and the details of the acceptance to the parties involved in the order or the execution of the order and settlement of the Shares.

### ***Special Rights***

The Tender Offer may be accepted by a holder of Special Rights registered during the Offer Period in the register of holders of Special Rights of Avidly, with the exception of Avidly and its subsidiaries. Evli will send a notification of the Tender Offer, including instructions and the relevant acceptance form, to all such holders of Special Rights. Holders of Special Rights who do not receive such notification from Evli can contact Evli by sending an email to [operations@evli.com](mailto:operations@evli.com).

A holder of Special Rights registered during the Offer Period in the register of holders of Special Rights of Avidly wishing to accept the Tender Offer shall submit a properly completed and duly executed acceptance form to [operations@evli.com](mailto:operations@evli.com) in accordance with its instructions and within the time limit set by Evli. The acceptance form shall be submitted so that it is received during the Offer Period or, in the event of a Subsequent Offer Period, during the Subsequent Offer Period, however, always in accordance with the instructions of Evli. Holders of Special Rights submit acceptances at their own risk. Any acceptance will be deemed submitted only when actually received by Evli.

A holder of Special Rights may only accept the Tender Offer unconditionally and in relation to all of his/her/its Special Rights, subject to the right to withdraw the acceptance for the Special Rights tendered in accordance with the terms and conditions of the Tender Offer. The Offeror reserves the right to reject any acceptance given in an incorrect or incomplete manner. The Offeror may also reject any partial tender of the Special Rights. A holder of Special Rights who has validly accepted the Tender Offer and has not properly withdrawn his/her/its acceptance in accordance with the terms and conditions of the Tender Offer may not sell or otherwise dispose of his/her/its tendered Special Rights unless otherwise provided by mandatory law.

### **4.7 Right of Withdrawal of Acceptance**

An acceptance of the Tender Offer may be withdrawn by a shareholder of Avidly or a holder of Special Rights at any time before the expiry of the Offer Period until the Offeror has announced that all the Conditions to Completion have been

fulfilled or the Offeror has waived the right to invoke them, that is, the Offeror has declared the Tender Offer unconditional. After such announcement, the acceptances for the Shares and Special Rights already tendered may not be withdrawn except in the event that a third party announces a competing public tender offer for the Shares and Special Rights before the execution of the sale and purchase of the Shares and Special Rights in accordance with section “—*Terms of Payment and Settlement*” below.

The proper withdrawal of the acceptance for Shares validly tendered requires the submission of a written notice of withdrawal to the same book-entry account operator to whom the acceptance form with respect to such Shares was submitted. In case of holdings that are registered in the name of a nominee, the holders of Shares shall instruct the nominee to submit the notice of withdrawal. The proper withdrawal of the acceptance for Special Rights validly tendered requires the submission of a written notice of withdrawal to operations@evli.com.

If a shareholder of Avidly validly withdraws his/her/its acceptance of the Tender Offer, the transfer restriction or sales reservation registered on the tendered Shares in the relevant book-entry account will be removed as soon as possible and within approximately three (3) Finnish banking days following the receipt of a notice of withdrawal in accordance with the terms and conditions of the Tender Offer.

A holder of Shares or Special Rights who has validly withdrawn its acceptance of the Tender Offer may accept the Tender Offer again during the Offer Period at any time prior to the expiry of the Offer Period or, if the Offer Period has been extended or discontinued, prior to the expiry of such extended or discontinued Offer Period or during the Subsequent Offer Period, if any, by following the acceptance procedures described in “—*Acceptance Procedure of the Tender Offer*” above.

The book-entry account operator managing the relevant book-entry account, or the nominee may charge a fee for withdrawals in accordance with its price list. A shareholder of Avidly who withdraws his/her/its acceptance is obligated to pay any fees that the book-entry account operator managing the relevant book-entry account, or the nominee may collect for the withdrawal.

In the event of a Subsequent Offer Period, the acceptance of the Tender Offer shall be binding and cannot be withdrawn, unless otherwise provided under mandatory law.

#### **4.8 Announcement of the Result of the Tender Offer**

The preliminary result of the Tender Offer will be announced on or about the first (1st) Finnish banking day following the expiry of the Offer Period. In connection with the announcement of the preliminary result of the Tender Offer, it will be announced whether the Tender Offer will be completed subject to the Conditions to Completion being fulfilled or waived on the date of the announcement of the final result of the Tender Offer, and whether the Offer Period will be extended.

The final result of the Tender Offer will be announced on or about the third (3rd) Finnish banking day following the expiry of the Offer Period. The announcement of the final result will confirm (i) the percentage of the Shares and Special Rights that have been validly tendered and not properly withdrawn and (ii) whether the Tender Offer will be completed.

In the event of a Subsequent Offer Period, the Offeror will announce the initial percentage of the Shares and Special Rights validly tendered during the Subsequent Offer Period on or about the first (1st) Finnish banking day following the expiry of the Subsequent Offer Period and the final percentage on or about the third (3rd) Finnish banking day following the expiry of the Subsequent Offer Period.

#### **4.9 Terms of Payment and Settlement**

The sale and purchase of the Shares and Special Rights validly tendered and not properly withdrawn in accordance with the terms and conditions of the Tender Offer will be executed no later than on the fifteenth (15th) Finnish banking day following the announcement of the final result of the Tender Offer (the “**Closing Date**”). This reflects the internal timetable for drawdown of funds by Adelis Fund III from its investors. The completion trades of the Shares will be executed on First North if permitted by the rules applicable to securities trading on First North. Otherwise, the completion trades of the Shares will be made outside of First North.

The date for the settlement of the above completion trades (the “**Settlement Date**”) will be the Closing Date or the first (1st) Finnish banking day following the Closing Date. The Share Offer Price will be paid on the Settlement Date to each shareholder of Avidly who has validly accepted, and not validly withdrawn such acceptance of, the Tender Offer into the management account of the shareholder’s book-entry account or, in the case of shareholders whose holdings are registered in the name of a nominee, into the bank account specified by the custodian or nominee. The Special Right Offer Price will be paid on the Settlement Date to each holder of Special Rights who has validly accepted, and not validly withdrawn such acceptance of, the Tender Offer into the bank account informed by the holder of the Special Rights in the acceptance form. In any case, the Share Offer Price or the Special Right Offer Price will not be paid to a bank account situated in Australia, Canada, Hong Kong Special Administrative Region of the People’s Republic of China, Japan, New Zealand or South Africa, or any other jurisdiction where the Tender Offer is not being made (see “*Important Information*” above), and all guidance

from custodians or nominees specifying bank accounts in such jurisdictions will be rejected. The actual time of receipt for the payment by the shareholder and the holder of Special Rights will depend on the schedules for payment transactions between financial institutions and agreements between the holder and book-entry account operator, custodian or nominee in each case.

In the event of a Subsequent Offer Period, the Offeror shall in connection with the announcement thereof announce the terms of payment and settlement for the Shares and Special Rights tendered during the Subsequent Offer Period. The sale and purchase of the Shares and Special Rights validly tendered in accordance with the terms and conditions of the Tender Offer during any Subsequent Offer Period shall, however, be executed at least within two (2) week intervals.

The Offeror reserves the right to postpone the payment of the Share Offer Price and Special Right Offer Price if payment is prevented or suspended due to a force majeure event but shall without delay effect such payment once the force majeure event preventing or suspending payment is resolved. In addition, the Offeror reserves the right to withhold the payment of Share Offer Price and Special Right Offer Price if payment is prevented or prohibited due to applicable sanctions laws or regulations and/or to rescind or terminate any acceptances if required by applicable sanctions laws or regulations. Unless the relevant acceptance is rescinded or terminated, the Offeror shall without delay effect the payment of the Share Offer Price and Special Right Offer Price once it is no longer prevented or prohibited due to applicable sanctions laws or regulations.

If all the Conditions to Completion are not met and the Offeror does not waive such conditions or extend the Offer Period, the Tender Offer will be terminated, and no consideration will be paid for the tendered Shares or Special Rights.

#### **4.10 Transfer of Title**

Title to the Shares and Special Rights validly tendered and not validly withdrawn in the Tender Offer will pass to the Offeror against the payment of the Share Offer Price or Special Right Offer Price by the Offeror to the tendering shareholder or holder of Special Rights, as applicable.

#### **4.11 Transfer Tax and Other Payments**

The Offeror will pay any transfer tax that may be levied in Finland in connection with the sale of the Shares or Special Rights pursuant to the Tender Offer.

Fees charged by book-entry account operators, asset managers, nominees or any other person for registering the release of any pledges or other possible restrictions preventing a sale of the relevant Shares or Special Rights, as well as fees relating to a withdrawal of an acceptance of the Tender Offer by a shareholder or holder of Special Rights in accordance with “—*Right of Withdrawal of Acceptance*” above, will be borne by each shareholder and holder of Special Rights. The Offeror shall be responsible for other customary fees relating to book-entry registrations required for the purposes of the Tender Offer, the sale and purchase of the Shares and Special Rights tendered under the Tender Offer and the payment of the Share Offer Price and Special Right Offer Price.

The receipt of cash pursuant to the Tender Offer by a shareholder of Avidly or holder of Special Rights may be a taxable transaction for the respective shareholder or holder of Special Rights under applicable tax laws, including those of the country of residency of the shareholder or holder of Special Rights. Any tax liability arising to a shareholder or holder of Special Rights from the receipt of cash pursuant to the Tender Offer shall be borne by the respective shareholder or holder of Special Rights. Each shareholder or Avidly and each holder of Special Rights is urged to consult their independent professional adviser regarding the tax consequences of accepting the Tender Offer.

#### **4.12 Other Matters**

The Tender Offer and the Tender Offer Document are governed by Finnish law and any disputes relating thereto shall be exclusively settled by Finnish courts of competent jurisdiction.

The Offeror reserves the right to amend the terms and conditions of the Tender Offer in accordance with Chapter 11, Section 15 of the Securities Market Act, subject to the provisions of the Combination Agreement. In addition, should a competing public tender offer for the Shares and Special Rights be announced by a third party during the Offer Period, the Offeror reserves the right, subject to the provisions of the Combination Agreement, to (i) decide upon an extension of the Offer Period, (ii) decide upon an amendment of the terms and conditions of the Tender Offer, and (iii) decide, during the Offer Period, but before the expiration of the competing public tender offer, to let the Tender Offer lapse.

Any extension, delay, termination or amendment of the Tender Offer will be announced by way of a release to be issued in accordance with applicable laws and regulations. The Offeror shall have sole discretion to determine all other matters relating to the Tender Offer, subject to applicable laws and regulations as well as the provisions of the Combination Agreement.

#### **4.13 Other Information**

Evli acts as the arranger in relation to the Tender Offer, which means that it performs certain administrative services relating to the Tender Offer. This does not mean that a person who accepts the Tender Offer (the "**Participant**") will be automatically regarded as a customer of Evli. A Participant will be regarded as a customer only if Evli has accepted the Participant as a customer and the Participant has entered into a customer agreement with Evli. If the Participant is not regarded as a customer, the rules regarding the protection of investors pursuant to the Finnish Act on Investment Services (747/2012, as amended) will not be applicable to the acceptance. This means, among other things, that neither the so-called customer categorization nor the so-called appropriateness test will be performed with respect to the Tender Offer. Each Participant is therefore responsible for ensuring that it has sufficient experience and knowledge to understand the risks associated with the Tender Offer.

#### **4.14 Important Information regarding NID and LEI**

According to Directive 2014/65/EU (MiFID II) of the European Parliament and of the Council, all investors must have a global identification code from 3 January 2018 in order to carry out a securities transaction. These requirements require legal entities to apply for registration of a Legal Entity Identifier ("**LEI**") code, and natural persons need to provide their National ID or National Client Identifier ("**NID**") to accept the Tender Offer. Each person's legal status determines whether a LEI code or NID number is required, and the book-entry account operator may be prevented from performing the transaction to the person if the LEI code or NID number (as applicable) is not provided. Legal persons who need to obtain a LEI code can contact the relevant authority or one of the suppliers available on the market. Instructions for the global LEI system can be found on the following website: <https://www.gleif.org/en/about-lei/get-an-lei-find-lei-issuing-organizations>. Those who intend to accept the Tender Offer are encouraged to apply for registration of a LEI code (legal persons) or to acquire their NID number (natural persons) in good time, as this information is required on the acceptance form at the time of its submission.

#### **4.15 Information regarding Processing of Personal Data**

Those who accept the Tender Offer will submit personal data, such as name, address and National ID, to Evli, who is the controller of the processing. Personal data provided to Evli will be processed in data systems to the extent required to administer the Tender Offer. Personal data obtained from sources other than the customer may also be processed. Personal data may also be processed in the data systems of companies with which Evli cooperates. Address details may be obtained by Evli through an automatic procedure executed by Euroclear. Additional information on processing of personal data by Evli, including details on how to exercise data subjects' rights, may be found at [www.evli.com](http://www.evli.com).

## 5. PRESENTATION OF THE COMPANY

All financial and other information presented in this Tender Offer Document concerning the Company has been extracted from, and has been provided exclusively based upon, the unaudited business review published by the Company for the three months ended 31 March 2022, the annual report and audited consolidated financial statements published by the Company as at and for the financial year ended 31 December 2021, the company releases published by the Company, entries in the Finnish trade register, the shareholders' register of the Company as at 22 July 2022, and other publicly available information. Consequently, the Offeror does not accept any responsibility for such information except for the accurate restatement of such information herein.

### 5.1 General

Avidly is a public limited liability company incorporated in Finland, and its shares are listed on First North under the trading code AVIDLY. Avidly's business identity code is 2018481-2, it is domiciled in Helsinki, Finland, and its registered address is Konepajankuja 1, FI-00510 Helsinki, Finland.

Avidly is a leading Nordic-based marketing technology (MarTech) service provider with its shares trading on First North. In Avidly's MarTech offering, customer experience, data and technology are closely entwined into its impact-driven growth strategy. Avidly partners with organizations of all sizes, from start-ups to Fortune 500 companies and is committed to creating solutions that help companies to grow. Avidly has a team of approximately 280 MarTech professionals in 18 locations in Finland, Sweden, Norway, Denmark, Germany, the UK and Canada.

For the financial year ended 31 December 2021<sup>4</sup>, the Avidly Group's revenue was approximately EUR 29,972 thousand, operating result (EBIT) was approximately EUR -57 thousand and total assets were approximately EUR 22,105 thousand.

### 5.2 Shares and Share Capital

As at the date of this Tender Offer Document, Avidly's registered share capital is EUR 322,400 and the number of issued shares in Avidly is 5,369,660, of which 5,339,537 are outstanding and 30,123 are held in treasury. Avidly's articles of association do not include any provisions on the minimum or maximum amount of share capital or number of shares.

Avidly has one class of shares. The shares are entered into the Finnish book-entry system maintained by Euroclear. Each share entitles its holder to one (1) vote at the general meeting of shareholders of Avidly. All shares give equal rights to dividends and other distributions of funds or assets by Avidly. The articles of association of Avidly do not contain provisions or restrictions on voting rights which would deviate from the Finnish Companies Act.

### 5.3 Ownership Structure

The following table sets forth the ten largest shareholders of Avidly and their ownership of all issued shares and voting rights in Avidly according to the shareholders' register maintained by Euroclear as at 22 July 2022. Certain largest shareholders of Avidly, such as Stockholm Holding Co w.l.l., are nominee registered and, therefore, are not shown in the below list.

Shareholder	Number of shares	% of shares and votes
CapMan Growth Equity Fund 2017 Ky	851,722	15.86
Euroclear Bank SA/NV	501,375	9.34
Gobelet Oy	371,662	6.92
Skogberg Ville	252,595	4.70
Amlax Oy	245,560	4.57
Skandinaviska Enskilda Banken AB (publ) Helsinki Branch	242,700	4.52
Palcmills Oy	220,000	4.10
Maula Jesse	155,565	2.90
Nikkola Ismo	125,562	2.34
Parvikoski Hans	105,562	1.97
<b>Ten largest shareholders in total</b>	<b>3,072,303</b>	<b>57.22</b>
<b>Other shareholders</b>	<b>2,297,357</b>	<b>42.78</b>
Treasury shares	30,123	0.56
<b>Total</b>	<b>5,369,660</b>	<b>100.00</b>

<sup>4</sup> As per Avidly Group's 2021 annual report.

## 5.4 Treasury Shares

Pursuant to the knowledge of the Offeror, Avidly and its subsidiaries hold as at the date of this Tender Offer Document in the aggregate 30,123 treasury shares, representing approximately 0.56 percent of all the shares and voting rights in Avidly. The Tender Offer is not being made for Shares held by Avidly or its subsidiaries.

## 5.5 Option Rights and Special Rights Entitling to Shares

As at the date of this Tender Offer Document, Avidly has 569,580 issued and outstanding Special Rights, which have been issued under the Company's LTIP to certain members of the Avidly Group's management. Each Special Right entitles its holder to subscribe for one (1) share in the Company at a subscription price of EUR 0.01 per share, subject to the fulfillment of certain conditions set forth in the terms and conditions of the LTIP, as described below.

The Board of Directors of Avidly resolved, on 15 July 2020, to establish the LTIP for the Avidly Group's management, including the Company's CEO, CFO and Chief Customer Experience Officer. The LTIP includes one performance period, which commenced on 1 June 2020 and will end on 31 May 2023. The LTIP participants may earn an investment-based reward and a performance-based reward from the LTIP performance period. The prerequisites for receiving an investment-based reward on the basis of the LTIP are that the participant acquires the Company's shares or allocates previously owned shares to the LTIP up to a number determined by the Board of Directors of the Company and has not terminated his or her employment or service relationship with the Company or a company belonging to the same group upon the payment of the reward. The performance-based reward from the LTIP is based on the total shareholder return of the Company's shares and the participant's employment or service relationship upon reward payment. As a general rule, no performance-based reward will be paid if the participant's employment or service relationship ends before the reward payment.

The performance-based part of the LTIP reward will be paid, subject to meeting other conditions, if the Company's share price exceeds EUR 2.30 at the time of review. A share price of EUR 6.50 at the time of review is required to receive the full performance-based reward under the LTIP.

Under the terms and conditions of the LTIP, the LTIP rewards will be paid in full in the form of the Company's shares by the end of September 2023. The Board of Directors of the Company determines whether the LTIP rewards will be paid in new shares or treasury shares of the Company. Shares paid as a reward may not be transferred during a one-year commitment period set for the shares with the exception of shares gradually released from the transfer restriction. The Board of Directors of the Company has the right to resolve on the payment of the LTIP rewards fully or partly in cash.

As a general rule, an LTIP participant must hold a minimum of 25 percent of the shares given on the basis of the LTIP, after the payment of taxes, until the participant's shareholding in the Company in total corresponds to the value of the participant's fixed annual gross salary and for as long as the participant's employment or service in a company belonging to the Avidly Group continues.

The LTIP rewards to be paid on the basis of the performance period amount to a maximum of 569,580 shares in the Company, indicating a maximum dilution of approximately 10.61 percent in the event the LTIP rewards are paid in their entirety in new shares of the Company.

Under the terms and conditions of the LTIP, if a public tender offer fulfilling certain criteria set forth in the terms and conditions of the LTIP, including the Tender Offer, is made for the shares in Avidly during the performance period, the LTIP participant shall be entitled to the full LTIP reward upon the completion of the tender offer by exercising the Special Rights held by the LTIP participant, subject to the participant fulfilling the share ownership prerequisite described above and continuing in the employment or service of the Avidly Group upon payment of the LTIP reward.

Pursuant to the knowledge of the Offeror, Avidly has no other issued or outstanding option rights or other special rights entitling to shares. However, the annual general meeting of Avidly held on 30 March 2022 authorized the Board of Directors to decide on the issuance of option rights and other special rights entitling to shares. See "*—Authorizations—Authorization regarding the issuance of shares, option rights and other special rights entitling to shares*" below.

## 5.6 Authorizations

### *Authorization regarding the acquisition of the Company's own shares*

The annual general meeting of Avidly held on 30 March 2022 resolved, by cancelling the previous, unused authorizations, to authorize the Board of Directors to resolve upon the acquisition of the Company's own shares in one or more instalments.

The maximum number of shares to be acquired under the authorization is 536,960 shares, corresponding to a maximum of approximately 10 percent of all shares in Avidly. Any acquisition under the authorization may only be carried out by using the Company's non-restricted equity and at a value formed on First North at the time of the relevant acquisition.

The Board of Directors is otherwise authorized to resolve upon all terms and conditions of the acquisitions of the Company's own shares, including the manner in which the shares shall be acquired. The authorization shall not limit the right of the Board of Directors to resolve upon directed acquisitions of own shares, provided that Avidly has weighty financial grounds for such acquisitions. The authorization is to be used in connection with transactions important to Avidly, such as when executing arrangements or transactions relating to the Company's business or for other purposes as resolved upon by the Board of Directors from time to time, provided that there are weighty financial grounds for acquiring own shares. The acquired shares may be held in the Company's possession, or they may be cancelled or transferred further. The authorization is valid until 30 June 2023.

#### *Authorization regarding the issuance of shares, option rights and other special rights entitling to shares*

The annual general meeting of Avidly held on 30 March 2022 resolved to authorize the Board of Directors to resolve upon one or more share issues without payment and/or share issues against payment. The authorization includes the right to issue new shares or to transfer treasury shares held by Avidly or to resolve upon the issuance of option rights and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act.

The maximum amount of shares that can be issued under the authorization, either by issuing new shares, transferring treasury shares held by Avidly or by issuing option rights and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act, is 1,800,000 shares. The amount corresponds to a maximum of approximately 25 percent of all shares in Avidly, after all shares that can be issued and/or all treasury shares that can be transferred and/or all shares that can be issued based on option rights and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act have been issued and/or transferred pursuant to a decision made under the authorization. The authorization shall not limit the right of the Board of Directors to resolve upon directed issues of shares or option rights and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act.

The authorization may be used in connection with arrangements that are important to the Company, such as in transactions and business acquisitions or in connection with the financing of other business arrangements or investments, for expanding the Company's ownership structure, providing incentives to the Company's employees or for strengthening employee engagement or for other purposes as resolved upon by the Board of Directors from time to time, provided that there are weighty financial grounds for issuing shares or option rights or other special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act. The pre-emptive subscription right of shareholders can be deviated from in the event the Company has weighty financial grounds or, when required by the Finnish Companies Act, especially weighty financial grounds for such deviation. The authorization is valid until 30 June 2023.

### **5.7 Shareholders' Agreements and Certain Other Agreements**

Other than as disclosed by the Company by way of a company release on 12 July 2022, which company release is appended to this Tender Offer Document in the form published by the Company (see "*Appendix B – Company Release Published by the Company on 12 July 2022*"), the Offeror is not aware of any shareholders' agreements, agreements between the Company and its shareholders, or other agreements or arrangements that would concern share ownership or the use of voting rights in Avidly, or that would otherwise materially affect the assessment of the benefits of the Tender Offer.

### **5.8 Board of Directors, CEO and Auditor**

In accordance with the Finnish Companies Act, the Board of Directors of Avidly is responsible for Avidly's management and the proper organization of its operations.

According to the articles of association of Avidly, the Board of Directors consists of a minimum of three (3) and a maximum of nine (9) members. According to the articles of association of Avidly, the members of the Board of Directors are elected at an annual general meeting of shareholders for a term of office which expires at the close of the following annual general meeting. As at the date of this Tender Offer Document, the Board of Directors consists of the following persons: Joakim Fagerbakk (Chair), Åsa Arvidsson, Juha Mikkola and Ville Skogberg.

The articles of association of Avidly further provide that Avidly may have a CEO. As at the date of this Tender Offer Document, the CEO of Avidly is Jesse Maula.

The auditor of Avidly is Authorized Public Accountant Jari Paloniemi and the deputy auditor is Authorized Public Accountant Veikko Terho.

### **5.9 Financial Information**

The audited consolidated financial statements of Avidly for the financial period ended on 31 December 2021 are appended to this Tender Offer Document in the form published by Avidly. The consolidated financial statements include the report of the Board of Directors. See "*Appendix C – Financial Information of the Company*".

In addition, the unaudited business review of Avidly for the three months ended 31 March 2022 is appended to this Tender Offer Document in the form published by Avidly. See “*Appendix C – Financial Information of the Company*”.

#### **5.10 Future Prospects Published by the Company**

The future prospects of the Company have been described in the unaudited business review of the Company for the three months ended 31 March 2022. See “*Appendix C – Financial Information of the Company*”.

#### **5.11 Articles of Association**

The Articles of Association of the Company are appended to this Tender Offer Document. See “*Appendix D – Articles of Association of the Company (Unofficial English Translation)*”.

## **6. PRESENTATION OF THE OFFEROR**

### **6.1 The Offeror in Brief**

The Offeror is a private limited liability company (business identity code 3298254-7) incorporated under the laws of Finland. The Offeror is domiciled in Helsinki, Finland, and its registered address is Regeringsgatan 20, SE-111 53 Stockholm. As at the date of this Tender Offer Document, the Offeror is directly wholly owned by Anton Holding I Oy a private limited liability company incorporated under the laws of Finland. Anton Holding I Oy is directly wholly owned by Adelis Swedish HoldCo, which is a private limited liability company incorporated under the laws of Sweden and which was incorporated to be the holding company in the acquisition structure. Adelis Swedish HoldCo is wholly owned by Adelis Holding III AB through Adelis Fund III and its affiliated entities, Adelis III Co-Invest A AB, Adelis III Co-Invest B AB and Adelis Friends & Family III AB. Each of Adelis Holding III AB, Adelis Fund III, Adelis III Co-Invest A AB, Adelis III Co-Invest B AB and Adelis Friends & Family III AB is a private limited liability company incorporated under the laws of Sweden.

Adelis is a growth partner for well-positioned, Nordic companies. Since raising its first fund in 2013, Adelis has been one of the most active investors in the Nordic middle-market, making 34 platform investments and more than 150 add-on acquisitions. Adelis is a highly active private equity investor in the technology services sector, and a significant share of Adelis' historical track record has been built on investments in technology services. Adelis' investors include leading Finnish, Nordic and global pension funds, foundations, family offices and asset managers. The Adelis team has over 100 years of cumulative private equity experience, and Adelis currently manages approximately EUR 2 billion in capital.

### **6.2 Persons Related to the Offeror as Referred to in Chapter 11, Section 5 of the Securities Market Act**

Persons related to the Offeror as referred to in Chapter 11, Section 5 of the Securities Market Act include Anton Holding I Oy, Adelis Swedish HoldCo, Adelis Holding III AB, Adelis Fund III, Adelis III Co-Invest A AB, Adelis III Co-Invest B AB and Adelis Friends & Family III AB.

The business identity code of Anton Holding I Oy is 3298253-9, it is domiciled in Helsinki, Finland, and its registered address is Regeringsgatan 20, SE-111 53 Stockholm. The company registration number of Adelis Swedish HoldCo is 559386-5321, it is domiciled in Stockholm, Sweden, and its registered address is Bolagsrätt Sundsvall AB, Box 270, SE-851 04 Sundsvall (a registration of changing the registered address to c/o Adelis Equity Partners, Regeringsgatan 20, SE-111 53 Stockholm is pending). The company registration number of Adelis Holding III AB is 559331-3827, it is domiciled in Stockholm, Sweden, and its registered address is Regeringsgatan 20, SE-111 53 Stockholm, Sweden. The company registration number of Adelis Fund III is 559322-7118, it is domiciled in Stockholm, Sweden, and its registered address is Regeringsgatan 20, SE-111 53 Stockholm, Sweden. The company registration number of Adelis III Co-Invest A AB is 559350-2486, it is domiciled in Stockholm, Sweden, and its registered address is Regeringsgatan 20, SE-111 53 Stockholm, Sweden. The company registration number of Adelis III Co-Invest B AB is 559350-2569, it is domiciled in Stockholm, Sweden, and its registered address is Regeringsgatan 20, SE-111 53 Stockholm, Sweden. The company registration number of Adelis Friends & Family III AB is 559349-7232, it is domiciled in Stockholm, Sweden, and its registered address is Regeringsgatan 20, SE-111 53 Stockholm, Sweden.

Neither the Offeror nor any party related to the Offeror as referred to in Chapter 11, Section 5 of the Securities Market Act holds any Shares or Special Rights as at the date of this Tender Offer Document.

### **6.3 The Company's Ownership in the Offeror**

To the knowledge of the Offeror, Avidly does not own any shares or securities that entitle to shares in the Offeror or in a party related to the Offeror as referred to in Chapter 11, Section 5 of the Securities Market Act.

## 7. APPENDICES

APPENDIX A – STATEMENT ISSUED BY THE BOARD OF DIRECTORS OF THE COMPANY..... A-1  
*The statement of the Board of Directors of the Company on the Tender Offer in the form published by the Company on 22 July 2022. The Offeror does not accept any responsibility for such information except for the accurate restatement of such information herein.*

APPENDIX B – COMPANY RELEASE PUBLISHED BY THE COMPANY ON 12 JULY 2022..... B-1  
*The company release published by the Company on 12 July 2022 has been included in this Appendix B in the form published by the Company. The Offeror does not accept any responsibility for such information except for the accurate restatement of such information herein.*

APPENDIX C – FINANCIAL INFORMATION OF THE COMPANY ..... C-1  
*The unaudited business review of the Company for the three months ended 31 March 2022 in the form published by the Company and the audited consolidated financial statements of the Company for the financial period ended on 31 December 2021 in the form published by the Company. The Offeror does not accept any responsibility for such information except for the accurate restatement of such information herein.*

APPENDIX D – ARTICLES OF ASSOCIATION OF THE COMPANY (UNOFFICIAL ENGLISH TRANSLATION) ... D-1  
*The unofficial English language translation of the Articles of Association of the Company has been included in this Appendix D in the form registered in the Finnish Trade Register on the date of this Tender Offer Document. The Offeror does not accept any responsibility for such information except for the accurate restatement of such information herein.*

**APPENDIX A – STATEMENT ISSUED BY THE BOARD OF DIRECTORS OF THE COMPANY**



## Statement of the Board of Directors of Avidly Plc regarding the recommended voluntary public cash tender offer by Anton Holding II Oy

22.7.2022 08:30:00 EEST | Avidly Oyj | Company Announcement

THIS RELEASE MAY NOT BE RELEASED, PUBLISHED OR OTHERWISE DISTRIBUTED, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO AUSTRALIA, CANADA, HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA, JAPAN, NEW ZEALAND, OR SOUTH AFRICA, OR ANY OTHER JURISDICTION IN WHICH THE TENDER OFFER WOULD BE PROHIBITED BY APPLICABLE LAW. FOR FURTHER INFORMATION, PLEASE SEE SECTION ENTITLED "IMPORTANT INFORMATION" BELOW.

## Statement of the Board of Directors of Avidly Plc regarding the recommended voluntary public cash tender offer by Anton Holding II Oy

Avidly Plc, 22 July 2022 at 8:30 a.m. (EEST)

Avidly Plc ("**Avidly**" or the "**Company**") and Anton Holding II Oy (the "**Offeror**"), which is an indirect subsidiary of Adelis Equity Partners Fund III AB, announced on 12 July 2022, that they have entered into a combination agreement (the "**Combination Agreement**") pursuant to which the Offeror has undertaken to make a voluntary recommended public cash tender offer to acquire all of the (i) issued and outstanding shares in Avidly which are not held by Avidly or any of its subsidiaries (the "**Shares**") and (ii) all issued and outstanding special rights, as referred to in Chapter 10 of the Finnish Companies Act (statute 624/2006, as amended) (Fi: *osakeyhtiölaki*) (the "**Finnish Companies Act**") which are not held by Avidly or any of its subsidiaries, entitling to 569,580 shares in the Company (the "**Special Rights**") (the "**Tender Offer**"). The Tender Offer values Avidly's total equity, including the Shares and Special Rights, at approximately EUR 32.5 million.

The Board of Directors of the Company (the "**Board of Directors**") has decided to issue the statement below regarding the Tender Offer in accordance with Chapter 11, Section 13 of the Finnish Securities Markets Act (746/2012, as amended).

### Tender Offer in brief

The Offeror is indirectly wholly owned by Goldcup 31291 AB (a registration of a name change to Antoninvest Holding AB is pending) ("**Adelis Swedish HoldCo**"), which was incorporated to be the holding company in the acquisition structure. Adelis Swedish HoldCo is wholly owned by Adelis Holding III AB through Adelis Equity Partners Fund III AB and its affiliated entities (Adelis Equity Partners Fund III AB and its affiliated entities are hereinafter referred to together as "**Adelis**"). The Offeror and Avidly have on 12 July 2022 entered into the Combination Agreement setting out, among other things, the main terms and conditions pursuant to which the Tender Offer will be made by the Offeror.

The Tender Offer will be made in accordance with the terms and conditions of the tender offer document expected to be published by the Offeror on or about 25 July 2022 (the "**Tender Offer Document**").

The offer price is EUR 5.50 in cash for each Share validly tendered in the Tender Offer (the "**Offer Price**"). The Offer Price represents a premium of approximately:

- 48.6 per cent compared to the closing price of the Avidly shares on Nasdaq First North Growth Market multilateral trading facility operated by Nasdaq First North Ltd ("**Nasdaq First North**") on 11 July 2022, the last trading day prior to the announcement of the Tender Offer; and
- 41.9 per cent compared to the volume-weighted average trading price of the Avidly shares on Nasdaq First North during the three (3) months immediately preceding the date of the announcement of the Tender Offer.

The offer price for each Special Right validly tendered in the Tender Offer (the "**Special Right Offer Price**") is EUR 5.49 in cash.

The Offer Price and Special Right Offer Price are subject to possible adjustments. The Offer Price has been determined based on 5,339,537 issued and outstanding Shares and the Special Right Offer Price has been determined based on 569,580 Special Rights as on 12 July 2022 i.e. the announcement date of the Tender Offer. Should the number of Shares or

instruments entitling to shares issued and outstanding in Avidly on 12 July 2022 change as a result of a new issuance of shares or instruments entitling thereto (other than the issuance of 569,580 shares in connection with the Company's share-based long-term incentive plan, as announced by the Company on 15 July 2020, and the related conversion of each Special Right into shares in the Company as may be requested by the Offeror), reclassification, stock split or any other similar transaction, or should Avidly distribute a dividend or otherwise distribute funds or any other assets to its shareholders, or should a record date with respect to any of the foregoing occur prior to the completion of the Tender Offer, the Offer Price and/or the Special Right Offer Price, as applicable, will be reduced accordingly on a euro-for-euro basis.

Certain major shareholders of the Company and certain members of management of the Company, including the holders of all of the Special Rights issued by the Company, i.e. CapMan Growth Equity Fund 2017 Ky, Stockholm Holding Co w.l.l., Amrap Holding AS, Gobelet Oy, Palcmills Oy, Viento Oy, WeAreFuture AB, Juha Impola, Jonaz Kumlander, Jesse Maula, Ismo Nikkola, Hans Parvikoski and Ville Skogberg, representing in aggregate approximately 57.0 per cent of the Shares and votes in the Company (on a fully diluted basis assuming full conversion of the Special Rights into shares in the Company), have irrevocably undertaken to accept the Tender Offer regardless of any superior competing offers. None of the members of Avidly's Board of Directors is expected to have possible benefits or negative effects that depend on the success of the contemplated Tender Offer. Some members of the Board of Directors or their employers own shares of the Company and have given irrevocable undertakings in relation to the Tender Offer as noted above. Juha Mikkola, vice chair of the Board of Directors of the Company, acts as a Senior Partner at CapMan Plc, whereas CapMan Growth Equity Fund 2017 Ky has given the above-mentioned irrevocable undertaking, and Ville Skogberg, ordinary member of the Board of Directors, directly owns Company's shares and has personally given the irrevocable undertaking. The Company's Board of Directors considers that the irrevocable undertakings given support the Offeror's ability to reach aimed shareholding in the Company and is thus in the interest of the Company's shareholders. Further, it has been considered that in this respect the interests of those shareholders who have given irrevocable undertakings and the members of the Board of Directors are aligned with the interests of the Company's shareholders in general.

The completion of the Tender Offer is subject to the satisfaction or waiver by the Offeror of certain customary conditions on or prior to the Offeror's announcement of the final results of the Tender Offer including, among others, that applicable approvals by the relevant regulatory authorities, including Finnish competition authority, have been received and that the Tender Offer has been accepted with respect to Shares and Special Rights representing, together with any other shares and special rights otherwise acquired by the Offeror, more than 90 per cent of the issued and outstanding shares and voting rights in the Company, calculated in accordance with Chapter 18, Section 1 of the Finnish Companies Act and on a fully diluted basis.

If the Offeror is able to obtain more than 90 per cent of the issued and outstanding shares and voting rights in the Company, calculated in accordance with Chapter 18, Section 1 of the Finnish Companies Act and on a fully diluted basis, the Offeror intends to initiate compulsory redemption proceedings in accordance with the Finnish Companies Act to acquire the remaining Shares in the Company, and thereafter cause the Company's Shares to be delisted from Nasdaq First North as soon as permitted and reasonably practicable under applicable laws and regulations.

The detailed terms and conditions of the Tender Offer as well as further information on the Tender Offer will be included in the Tender Offer Document.

The Offeror has secured necessary and adequate financing to finance the Tender Offer at completion in accordance with its terms, and compulsory redemption proceedings, if any, in accordance with the Finnish Companies Act.

The offer period under the Tender Offer is expected to commence on or about 25 July 2022 and to run approximately until 2 September 2022. The Offeror reserves the right to extend the offer period from time to time or discontinue the offer period in accordance with the terms and conditions of the Tender Offer. The Tender Offer is currently expected to be completed during the third quarter of 2022.

The Offeror and Avidly have undertaken to comply with the recommendations set out in the Helsinki Takeover Code issued by the Finnish Securities Market Association (the "**Helsinki Takeover Code**") as and to the extent applicable and to the extent practically possible.

### **Background for the statement**

The Board of Directors has prepared this public statement regarding the Tender Offer in accordance with the Finnish Securities Markets Act (756/2012, as amended) from the perspective of the Company and its shareholders and holders of the Special Rights (together the "**Securityholders**").

For the purposes of issuing this statement, the Offeror has submitted to the Board of Directors a draft version of the Finnish language Tender Offer Document and its English language translation (the "**Draft Tender Offer Document**").

In preparing its statement, the Board of Directors has relied on information provided in the Draft Tender Offer Document by the Offeror and certain other information provided by the Offeror and has not independently verified this information. Accordingly, the Board of Directors' assessments of the consequences of the Tender Offer on the Company's business and employees should be treated with caution.

## **Assessment regarding strategic plans presented by the Offeror in the Draft Tender Offer Document and their likely effects on the operations of, and employment at the Company**

### **Information given by the Offeror**

The Board of Directors has assessed the Offeror's strategic plans based on the Offeror's statements made in the announcement regarding the Tender Offer published on 12 July 2022 and the Draft Tender Offer Document. According to the information provided in the Draft Tender Offer Document and the Offeror's announcement on the Tender Offer, Adelis believes that its extensive experience and excellent track record in technology services, as evident from Adelis' previous investments in, for example, Valtti and AddPro, makes it a strong partner for Avidly and its management team in continuing to grow Avidly's business both organically and through add-on acquisitions.

The Offeror does not expect the completion of the Tender Offer to have any major immediate effects on Avidly's operations or assets, the position of its management or employees, or its business locations.

### **Board assessment**

The Board of Directors views that the Company will benefit from Adelis' long experience, and resources in accelerating growth of companies in the technology services sector.

The Board of Directors considers that the information on the strategic plans of the Offeror concerning the Company is given on a general level. Based on the Offeror's statements, the Board of Directors believes that the strategic plans of the Offeror pursuant to the Tender Offer would not have any immediate material effects on the Company's operations, assets or its business locations.

Further, the Board of Directors notes that the Offeror does not expect the completion of the Tender Offer to have any major immediate effects on Avidly's management or employees, however the Offeror intends to change the composition of the Board of Directors of Avidly as soon as practically possible after the completion of the Tender Offer to reflect the new ownership structure of Avidly.

The Board of Directors believes that the final and long-term impact of the integration can be assessed only after the completion of the Tender Offer.

On the date of this statement, the Board of Directors has not received formal statements from the Company's employees as to the effects of the Tender Offer on the employment at the Company.

## **Assessment of the Tender Offer from the perspective of the Company and its Securityholders**

When evaluating the Tender Offer, analysing alternative opportunities available to the Company and concluding on its statement, the Board of Directors has considered several factors, including, but not limited to, the Company's recent financial performance, current position and future prospects, the historical performance of the trading price of the Company's share and the conditions for the Company and the Offeror to complete the Tender Offer. In order to support its assessment of the Tender Offer, the Board of Directors has received a fairness opinion, dated 12 July 2022, concerning the Offer Price and the Special Right Offer Price (the "**Fairness Opinion**") from Sisu Partners Oy. The Fairness Opinion is attached as Appendix 1 to this statement.

The matters and factors which the Board of Directors concluded to be material in evaluating the Tender Offer include, but are not limited to:

- the Offer Price and Special Right Offer Price;
- the premium offered for the Shares;
- the cash consideration of the Tender Offer, which provides the Securityholders with immediate liquidity;
- the historical trading price of the Shares;
- the information and assumptions on the business operations of the Company as at the date of this statement and their expected future development;
- valuation of the Shares compared to the industry multiples before the announcement of the Tender Offer;
- the undertakings by certain major shareholders of the Company to accept the Tender Offer as referred to above;
- valuations and analysis made and commissioned by the Board of Directors as well as discussions with external financial advisor; and
- the Fairness Opinion issued by Sisu Partners Oy.

The Board of Directors considers that the Offer Price and Special Right Offer Price, the credibility of the Offeror as an owner having experience in accelerating growth of companies in the technology services sector as well as the support by certain major shareholders of the Company and certain members of the management of the Company, including the holders of all of the special rights issued by the Company, for the Tender Offer, support the Offeror's ability to reach more than 90 per

cent ownership of the Shares and votes calculated in accordance with Chapter 18, Section 1 of the Finnish Companies Act and on a fully diluted basis.

The Board of Directors' assessment of continuing the business operations of the Company as an independent company has been based on reasonable future-oriented estimates, which include various uncertainties, whereas the Offer Price and the premium included therein and the Special Offer Price are not subject to any uncertainty other than the fulfilment of the conditions to completion of the Tender Offer.

The Board of Directors views that the Tender Offer represents a fair value extraction for Avidly's Securityholders and is therefore a fair and reasonable opportunity for them.

Based on overall assessment and taking into account the factors described above, the Board of Directors has concluded that the Tender Offer is a favourable alternative for the Securityholders.

## **Recommendation of the Board of Directors**

The Board of Directors has carefully assessed the Tender Offer and its terms and conditions based on the Draft Tender Offer Document, the Fairness Opinion, and other available information.

Based on the evaluations and facts given above, the Board of Directors considers that the Tender Offer and the amount of the Offer Price and Special Right Offer Price are, under the prevailing circumstances, fair and reasonable from the perspective of the Company's shareholders and holders of the Special Rights.

Based on the foregoing, the Board of Directors unanimously recommends that the Securityholders of the Company accept the Tender Offer.

All members of the Board of Directors have participated in the decision-making concerning this statement.

## **Certain other matters**

The Board of Directors notes that the combination of the Company and the Offeror may, as is common in similar arrangements, involve unforeseeable risks.

The Board of Directors notes that the shareholders of the Company should also take into account the potential risks related to non-acceptance of the Tender Offer. If the acceptance condition of more than 90 per cent of the Shares and votes is waived, the completion of the Tender Offer would reduce the number of the Company's shareholders and the number of Shares, which would otherwise be traded on Nasdaq First North. Depending on the number of Shares validly tendered in the Tender Offer, this could have an adverse effect on the liquidity and value of the Shares. Furthermore, pursuant to the Finnish Companies Act, a shareholder that holds more than two-thirds of the shares and voting rights carried by the shares in a company has sufficient voting rights to decide upon certain corporate transactions, including, but not limited to, a merger of the company into another company, an amendment of the articles of association of the company and an issue of shares in the company in deviation from the shareholders' pre-emptive subscription rights.

Pursuant to Chapter 18 of the Finnish Companies Act, a shareholder that holds more than 90 per cent of all shares and votes in a company shall have the right to acquire and, subject to a demand by other shareholders, also be obligated to redeem the shares owned by the other shareholders. In such case, the Shares held by the Company's shareholders, who have not accepted the Tender Offer, may be redeemed through redemption proceedings under the Finnish Companies Act in accordance with the conditions set out therein.

This statement of the Company does not constitute investment or tax advice, and the Company does not specifically evaluate herein the general price development or the risks relating to the Shares or Special Rights in general. Securityholders must independently decide whether to accept the Tender Offer, and they should take into account all the relevant information available to them, including information presented in the Tender Offer Document and this statement as well as any other factors affecting the value of the Shares and/or the Special Rights.

The Company has appointed Ernst & Young AB, EY Corporate Finance as its financial adviser and DLA Piper Finland Attorneys Ltd. as its legal adviser in connection with the Tender Offer. Sisu Partners Oy has issued the Fairness Opinion to the Board of Directors of Avidly.

The Board of Directors of Avidly

## **Appendix 1: Fairness Opinion**

## For more information, please contact:

Joakim Fagerbakk (in English)

Chair of the Board of Directors

tel. +47 (0) 464 28 133

[joakim.fagerbakk@avidlyagency.com](mailto:joakim.fagerbakk@avidlyagency.com)

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

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## Information for securityholders in the United States

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

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

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

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

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

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

## **Forward-looking statements**

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

## **Attachments**

- [Download announcement as PDF.pdf](#)
- [2022-07-12 Fairness Opinion Avidly Oyj.pdf](#)

The Board of Directors  
Avidly Oyj  
Konopajankuja 1  
00510 Helsinki

Dear Sirs,

Fairness Opinion in relation to the public offer regarding all outstanding shares and special option rights of Avidly Oyj

## 1. Introduction

The Board of Directors of Avidly Oyj ("**Avidly**") (the "**Board**") has requested the opinion of Sisu Partners ("**Sisu**") as to the fairness, from a financial point of view, of the consideration per Avidly share amounting to EUR 5.50 in cash and per Avidly special option right amounting to EUR 5.49 in cash (the "**Offer Consideration**") proposed to be received by the shareholders of Avidly pursuant to the public offer (the "**Offer**") by Adelis Equity Partners Fund III AB through a newly established company Anton Holding II Oy (the "**Offeror**"). The public offer will be announced on July 12, 2022.

In connection with the presentation of this opinion, Sisu has, inter alia, reviewed certain publicly available and other business and financial information relating to Avidly (including annual and interim reports issued by Avidly); certain financial forecasts and other information and data which were provided to or discussed with Sisu by the management of Avidly and that Avidly has instructed Sisu to use for the purposes of its analyses (including extrapolations based on certain alternative assumptions provided by the management of Avidly). In addition, Sisu has held discussions with certain members of the Board of Avidly and senior members of the management of Avidly concerning the businesses, operations, financial position and prospects of Avidly including other strategic options Avidly may have; compared certain financial and stock exchange related information regarding Avidly with similar information for certain other companies that Sisu considered relevant; reviewed the share price development and trading activity in the Avidly shares on Nasdaq First North Growth Helsinki; and performed such other analyses and studies as Sisu has deemed appropriate as a basis for this opinion.

In connection with the Offer, the Board of Avidly and its independent committee is seeking independent advice to assess the fairness of the Offer Consideration from financial point of view.

Sisu has been appointed as the independent financial advisor to Avidly, to provide opinion as to whether the terms and conditions of the transaction are fair and reasonable from Avidly's shareholders' point of view. Sisu is entitled to receive a fixed fee (and VAT if applicable) for preparation of this opinion.

## 2. Procedures

The assessment of fair and reasonable is determined primarily on qualitative and reasonableness on qualitative issues.

The Offer may be considered fair if the pricing is within the range of Fair Value.

In arriving at our opinion, we have, inter alia, considered following:

- Analysis of the Offer terms and on the Combination Agreement as dated on 12 July 2022 and agreed with the Offeror and the Company
- Analysis of the historical and budgeted financial information of Avidly
- Analysis of the Fair Value by using following valuation methodologies we have deemed to be appropriate for valuing Avidly:
  - o Discounted cash flow;
  - o Leveraged Buy-out valuation (LBO);
  - o Valuation multiples of comparable publicly traded companies and
  - o Valuation multiples of comparable precedent transactions
- Analysis on potential risks associated with the Transaction
- Discussions with the management of Avidly and some Board members of Avidly regarding other possible strategic options of Avidly and
- Other financial studies and analyses as deemed necessary or appropriate.

### **3. Assumptions and Limitations**

Sisu has relied upon the fact that all of the financial and other factual information, data, advice, opinions or representations obtained by it from public sources and from Avidly (collectively, the "Information") is complete, accurate and has been fairly presented. Our procedures and enquiries did not constitute an audit and accordingly, we do not express any opinion on the financial data or other information used in arriving at our opinion. Forecasts relate to future events and are based on assumptions, which may not remain valid for the whole of the relevant period. Consequently, this information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual results will correspond to those projected by management or by other advisors or persons.

In providing this opinion, Sisu is not making any recommendations as to how to decide, agree or vote or otherwise deal in connection with the Offer in whole or in part. An individual security holder's decision may be influenced by such holder's particular circumstances and such a holder should consult an independent expert if such a holder is in any doubt as to the merits or otherwise of the Offer. Sisu's opinion does not purport to cater for an individual security holder.

Sisu's conclusions are rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at 12<sup>th</sup> July 2022 (and thus all market data is from or prior that date and events and market development after this date are not taken into consideration) and the condition and prospects, financial and otherwise, of Avidly as they were reflected in the information provided and as they have been represented to Sisu in discussions with management of Avidly.

In connection with our review, at your direction, we have assumed and relied upon, without independent verification, the accuracy and completeness of the Information that was publicly available or was furnished to us by or on behalf of Avidly, or otherwise reviewed by us for the purposes of this opinion, and we have not assumed, and we do not assume any responsibility or liability for any such information. In addition, at your direction, we have not made any independent valuation or appraisal of the assets or liabilities (contingent or otherwise) of Avidly, nor have we been furnished with any such evaluation or appraisal.

With respect to the financial forecasts and estimates of Avidly as referred to above, we have assumed, at your direction, that they have been reasonably prepared on a basis reflecting the best

currently available estimates and judgements of the management of Avidly as to the future performance of Avidly.

We accept no responsibility for the accounting or other data and commercial assumptions on which this opinion is based. Furthermore, our opinion does not address any legal, regulatory, taxation or accounting matters or other professional advice, as to which we understand that such opinions, counsel or interpretations have been or will be obtained from the appropriate qualified professional sources.

We have also assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of Offer will be obtained without any material adverse effect on Avidly or the Offer.

In our analyses and in preparing this opinion, we made various assumptions with respect to industry performance, general economic conditions and company specific issues and other matters, many of which are beyond of the control of Sisu and the Transaction counterparts

This opinion is given as of 12<sup>th</sup> July 2022 based on our current understanding about fairness of the Offer. Sisu has no obligation to advise any person of any change in any fact or matter affecting this opinion, which may happen or occur after the date of this opinion. We reserve right, but will be under no obligation, to change, modify or withdraw this opinion.

This opinion is governed by and constructed in accordance with Finnish law. Any dispute, controversy or claim arising out of or relating to this Fairness Opinion, shall be finally settled by arbitration in accordance with the Arbitration Rules of Finland Chamber of Commerce.

#### 4. Opinion

**Based upon and subject to the foregoing and such other matters Sisu considered to be relevant, as at the date hereof, Sisu considers that the terms and conditions of the Offer are, from a financial point of view, fair and reasonable to the shareholders and holders of the special rights of Avidly.**

This Fairness Opinion letter is provided solely for the benefit of the Board of Directors of Avidly, in connection with and for the purposes of their consideration of the Offer.

This letter may not be used for any other purpose or reproduced or quoted at any time and in any manner without our written consent. This Fairness Opinion is made without legal liability or responsibility on our part. We accept no responsibility to any person other than the Board of Directors of Avidly in relation to the content of this letter.

Yours,



Juha Karttunen

Managing Partner

Sisu Partners



Jukka Järvelä

Partner

Sisu Partners

**APPENDIX B – COMPANY RELEASE PUBLISHED BY THE COMPANY ON 12 JULY 2022**



## **AVIDLY PLC HAS AGREED ON AMENDMENT TO THE ADDITIONAL PURCHASE PRICE RELATING DIGITAL 22 ONLINE LIMITED**

12.7.2022 08:46:00 EEST | Avidly Oyj | Company Announcement

### **AVIDLY PLC HAS AGREED ON AMENDMENT TO THE ADDITIONAL PURCHASE PRICE RELATING DIGITAL 22 ONLINE LIMITED**

Avidly Plc, Company announcement, Inside information 12 July 2022 at 8.46 am EEST

Avidly Plc (“Avidly”) has on 21 December 2021 announced to have entered into an agreement to acquire all of the shares in Digital 22 Online Limited, the UK-based inbound marketing specialist and HubSpot Elite Partner, which acquisition was completed on 12 January 2022. According to the acquisition agreement, Avidly would pay the sellers of Digital 22 Online Limited an additional purchase price of up to EUR 4,903,530 in total in 2024 and 2025 in two tranches, provided that the conditions set for the additional purchase price are met. The additional purchase price, if any, would be paid with a combination of cash and Avidly’s shares, with the cash consideration amounting to at least 55% of the total additional purchase price.

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

AVIDLY PLC

BOARD OF DIRECTORS

#### **Additional information:**

Joakim Fagerbakk, Chairman of the Board of Directors, tel. +47 464 28 133

Jesse Maula, CEO, tel. +358 40 548 0248

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

#### **About Avidly**

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

#### **Attachments**

- [Download announcement as PDF.pdf](#)

**APPENDIX C – FINANCIAL INFORMATION OF THE COMPANY**

## Avidly's revenue and profitability improved clearly in Q1 2022

*This business review is not an interim financial report in accordance with IAS34 and the financial information presented in it is unaudited.*

# Avidly Plc's BUSINESS REVIEW for 1 January – 31 March 2022

**AVIDLY**

### JANUARY-MARCH 2022

- ▶ Revenue was 8,566 thousand euros (7,143), an increase of 19.9%.<sup>1</sup>
  - Other countries segment's portion of revenue was 33.3% (22.3%).
- ▶ Gross profit was 6,510 thousand euros (5,514), an increase of 18.1%.
  - Other countries segment's portion of gross profit was 37.2% (25.8%).
  - Continuous services accounted for approximately 48% (41%) of gross profit.
- ▶ The Group's operating result was 413 thousand euros (-1), or 4.8% of revenue (0%).
- ▶ Adjusted operating result<sup>2</sup> improved to 595 thousand euros (469).

<sup>1</sup> Unless otherwise stated, comparisons and figures in parentheses refer to the comparison period, i.e. the same period last year.

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



## CEO JESSE MAULA:

Avidly's strong growth continued in Q1 2022. Our revenue increased by 19.9 percent year-on-year to EUR 8.6 million, of which organic growth accounted for 12 percent. The gross profit, which measures the volume of our own operations, was up by 18.1 percent to EUR 6.5 million. Our operating result reached EUR 0.4 (0.0) million, while the adjusted operating result<sup>1)</sup>, which describes the operational performance of our operations, increased by 26.9 percent to EUR 0.6 million.

The favourable operating environment in all our operating countries contributed to the good performance. International growth was boosted in particular by the acquisition of Digital 22 Online at the beginning of the year.

In our international business, demand continued to focus on digital services that accelerate sales and marketing automation. In Finland, demand covered all of the marketing technology services we offer, but also in this market the demand was strongest in

digital services. The share of continuing services in gross margin increased to 48 (41) percent.

As a whole, the implementation of our strategy progressed well during the review period. Our customer base expanded with new interesting customers such as Tikkurila in Finland, Opternus in Germany, Advania in Norway/Sweden and techspert.io in UK. At the HubSpot 2021 Impact Awards, we received the Global Partner of the Year award for the third year in a row. We also received Google's 2022 Premier Partner Status. The campaign we created for our client Saka Finland won bronze in the Effie Finland competition, which measures the effectiveness of advertising, and a commercial we designed for Saka Finland won silver at the Voitto Gala, where the best commercial films of 2021 were awarded. The reorganization of our operations in Finland, Norway and Sweden, and Germany towards the end of 2021 also contributed to the Q1 performance.

The integration of the Digital 22 Online team into Avidly got off to a good start in Q1. We also

developed our operations by organising our local HubSpot, Wordpress and integration developers into one international tech team. In addition, we launched work to identify material corporate responsibility topics related to Avidly's business so that we can better serve our customers on sustainability issues in the future.

Our focus is strongly on achieving the goals of our strategy period reaching to 2025. We actively seek new growth and partnership opportunities within the Martech ecosystem and pilot new collaboration models. We continue step by step towards the profitability goals set.

To date, the impacts of Russia's attack on Ukraine have not been reflected in the demand for our services, but the situation of our customers may change rapidly. For now our outlook is unchanged. I am confident in Avidly's ability to take our business and customers forward in line with our strategic goals, and I would like to thank all Avidlyans for their commitment to developing our customers and our own business, and our customers for their trust in Avidly.

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

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

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

<sup>1)</sup> Adjusted operating result = Operating result (EBIT) adjusted for acquisition costs and allocated depreciation of acquired businesses as well as expense associated with the share-based incentive scheme pursuant to IFRS.



## KEY FIGURES

1,000 EUR	1-3 2022	1-3 2021	Change %	1-12 2021
Revenue	8,566	7,143	19.9	29,972
Other countries segment's portion of Revenue	2,856	1,596	78.9	7,099
Gross Profit	6,510	5,514	18.1	21,596
Other countries segment's portion of Gross Profit	2,419	1,424	69.9	5,953
Continuous services, % of Gross Profit	48%	41%		47%
Operating Result	413	-1	41,400.0	-57
Adjusted Operating Result (EBITA)*	526	49	973.5	121
Adjusted Operating Result**	595	469	26.9	1,074
Average number of Personnel	282	232	21.6	237

## RECONCILIATION STATEMENT FOR ADJUSTED OPERATING RESULT:

1,000 EUR	1-3 2022	1-3 2021	1-12 2021
<b>ADJUSTED OPERATING RESULT:</b>			
Operating Result	413	-1	-57
Depreciations and impairments on acquisitions	113	50	178
Adjusted Operating Result (EBITA)*	526	49	121
Acquisition costs	173	0	0
Expenses associated with the share-based incentive scheme pursuant to IFRS	-104	420	953
Adjusted Operating Result**	595	469	1,074

## FINANCIAL INFORMATION

Avidly's financial reports will be published as follows:

- Half-Year Report January–June 2022:  
26 August 2022
- Business Review January–September 2022:  
28 October 2022

Helsinki, 29 April 2022

## AVIDLY PLC

## BOARD OF DIRECTORS

## ADDITIONAL INFORMATION:

Jesse Maula, CEO, tel. +358 40 548 0248

Hans Parvikoski, CFO, tel. +358 40 586 6154

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

### About Avidly

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

Read more: [investors.avidlyagency.com/en](https://investors.avidlyagency.com/en)

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

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





# REPORT OF THE BOARD OF DIRECTORS' & FINANCIAL STATEMENTS



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# REPORT OF THE BOARD OF DIRECTORS 2021

## MARKET OVERVIEW

Our operating environment in 2021 was favorable despite the continuation of the coronavirus pandemic. Outside Finland, demand was particularly focused on digital services that accelerate sales and marketing automation, while in Finland, demand covered all the marketing technology services we offer.

While there are differences in our operating markets, the coronavirus pandemic has pushed consumers and businesses to shift their behaviour. As a result, online purchases have increased substantially, and customer loyalty patterns have changed as brand interaction has become a multi-pronged journey.

This behaviour shift highlights the importance of a full-funnel marketing and sales strategy where digital leads the pack and drives engagement and sales. In a world where growth is increasingly hard to come by, digital marketing and sales provide an opportunity to capture the next wave of growth.

In response to accelerated digital trends caused by the pandemic, there is also a clear shift in advertising budget spend as businesses diversify their spending across paid and owned media. Companies are now spending more time and resources on owned-media channels such as mobile apps, websites and customer service channels. And from a content perspective, there is a noticeable increase in customer conversation rates, with social and digital video channels driving the highest return on investment (ROI).

Effectively adapting to these circumstances requires a mindset shift in how organisations engage and communicate with audiences, which is a combination of art and science: it is driven by data and analytics, focused on personalisation rather than a one-size-fits-all approach, but it must not forget the earlier stages of the customer's decision journey, such as brand awareness.

Avidly's service offering, which was renewed in 2021, is well suited to the needs of modern marketing and sales, where all funnel stages are covered and silos removed.

## SIGNIFICANT EVENTS DURING 2021

### Digital 22 Online acquisition

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

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

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

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

### New reporting segments and reporting cycle

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

### Brand renewal

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

## FINANCIAL DEVELOPMENT

### Revenue

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

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

### REVENUE BY SEGMENT

EUR 1,000	1-12 2021	1-12 2020	Change %
Finland	23,672	19,717	20.1%
Other countries	7,099	5,627	26.2%
Group eliminations and unallocated	-799	-374	113.6%
<b>Avidly Group, total</b>	<b>29,972</b>	<b>24,970</b>	<b>20.0%</b>

### Gross profit

Avidly's gross profit increased by 13.6% in Finland and by 24.1% in other countries. The Group's gross profit, taking into account group eliminations and unallocated items, increased by 15.8% to 21,596

thousand euros (18,649 thousand). The slower growth in gross profit than in revenue was due to an increase in the relative share of pass-through invoiced media advertising and subcontracting from the comparison year. Continuous services accounted for approximately 47% (42%) of gross margin.

### GROSS PROFIT BY SEGMENT

EUR 1,000	1-12 2021	1-12 2020	Change %
Finland	15,936	14,025	13.6%
Other countries	5,953	4,797	24.1%
Group eliminations and unallocated	-293	-173	69.4%
<b>Avidly Group, total</b>	<b>21,596</b>	<b>18,649</b>	<b>15.8%</b>

## FINANCIAL RESULT

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

The Group's EBITDA decreased by -5.7% from the comparison year and was 1,625 thousand euros (1,724 thousand), or 5.4% of revenue (6.9%). This development was mainly affected by the increase in personnel expenses from the comparison year, including a total expense of 953 thousand euros (169 thousand) related to the share-based incentive scheme.

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

### OPERATING PROFIT BY SEGMENT

EUR 1,000	1-12 2021	1-12 2020	Change %
Finland	1,030	167	516.8%
Other countries	-132	-53	-149.1%
Group eliminations and unallocated	-955	-175	445.7%
<b>Avidly Group, total</b>	<b>-57</b>	<b>-61</b>	<b>6.6%</b>

### ADJUSTED OPERATING PROFIT\* BY SEGMENT

EUR 1,000	1-12 2021	1-12 2020	Change %
Finland	1,084	272	298.5%
Other countries	-8	71	-111.3%
Group eliminations and unallocated	-2	-6	-66.7%
<b>Avidly Group, total</b>	<b>1,074</b>	<b>337</b>	<b>218.7%</b>

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

## BALANCE SHEET AND FINANCIAL POSITION

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

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

The Group's equity increased by 849 thousand euros. At the end of December, the company's equity was 10,641 thousand euros (9,792 thousand). The equity



ratio on 31 December 2021 was 48.14% (40.91%). Equity per share was 2.02 euros (1.85).

#### ASSETS BY SEGMENT

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

#### LIABILITIES BY SEGMENT

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

The Group's cash flow from operating activities was EUR 1,873 thousand euros (1,611 thousand). Cash flow from financing was -2,883 thousand euros

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

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

#### INVESTMENTS AND R&D EXPENSES

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

#### CHANGES IN GROUP STRUCTURE

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

#### PARENT COMPANY

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

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

#### PROPOSAL OF THE BOARD OF DIRECTORS CONCERNING THE USE OF PROFITS

The Board of Directors proposes to the Annual General Meeting that the profit based on the adopted balance sheet of Avidly Plc for the financial year that ended on 31 December 2021 shall be transferred to an account for profits/losses and that no dividend shall be distributed from the distributable funds for the financial year 1 January 2021 – 31 December 2021.

#### PERSONNEL

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

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

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

#### CORPORATE RESPONSIBILITY

For Avidly, sustainability means above all social responsibility, ensuring the well-being of personnel and creating an inspiring work environment that promotes creativity.

Avidly invests strongly in personnel development and well-being at work, wanting to provide its employees with an enthusiastic working community that pulls together. Avidly's values are Ambition, Respect and Courage.

Employee satisfaction is surveyed on a bi-weekly basis. According to the survey, Avidly people's satisfaction with their work and employer is at a good level. The company's eNPS was 20 (19) in December 2021. In addition, Avidly measures customer satisfaction.



Based on the results, customer satisfaction developed positively and Avidly's NPS was 60 in December 2021.

Avidly's environmental impacts have been estimated to be minor, and they are associated with the environmental impacts of normal office-based knowledge work, such as the electricity consumption of IT hardware, printing, recycling, general energy use and travel by the personnel. In 2021, business travel was very limited due to the COVID-19 pandemic.

In 2021–2022, Avidly is a partner of FIBS ry, the largest corporate responsibility network in the Nordic countries. Avidly's pro bono partnership includes the implementation of the FIBS corporate responsibility survey aimed at Finnish large corporations, and Avidly will also be involved in developing corporate responsibility communications to FIBS member companies in the years to come. Avidly also continued its pro bono partnership with Planet Company in 2021. Planet Company is a startup that specializes in developing a community of responsible business practices. We also act as a pro bono partner for the social food company Venner. Venner delivers food boxes to low-income families in Finland and teaches ecological and economical cooking skills.

Avidly is also involved in the Corporate Social Responsibility working group of the AMIN advertising agency network. In September 2020, the working group published a report on the expectations of the general public of business and brands in a situation in which climate change, inequality, COVID-19 and racial

equality have emerged as symbols of a new era. The report is available here: [www.aminworldwide.com/wp-content/uploads/2020/09/AMIN-CSR-Ebook.pdf](http://www.aminworldwide.com/wp-content/uploads/2020/09/AMIN-CSR-Ebook.pdf). In Q1 2022, the working group is expected to publish a new report on sustainability in marketing.

Avidly's subsidiary Sugar Helsinki Oy, established in 2015, is a PR office focusing on sustainable and ecological values. The competitive advantages of the customers of Sugar Helsinki are, without exceptions, based on an ecologically sustainable operating model or products.

In December 2021, Avidly's Management Team made a decision to take the next step in the company's sustainability work. In 2022, Avidly will conduct a materiality analysis of its business to determine what are the most important areas of sustainability in its own business, how they will be measured and how the company's sustainability will be reported in the future.

## SHARE AND SHARE CAPITAL

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

### Trading in shares and market value

In 2021, a total of 3,091,734 (2,143,933) Avidly shares were traded for 16.9 million euros (5.8), representing approximately 59% (54%) of all shares (weighted

average number of outstanding shares during the period). On the final trading day of the reporting period, the share price was 5.18 euros (3.98). The volume-weighted average share price during the year was 5.45 euros (2.59), the highest quoted price during the period was 6.70 euros (5.22) and the lowest was 3.68 euros (1.10). The market value of Avidly Plc's outstanding shares at the end of December was 27.3 million euros (21.0).

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

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

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

### Treasury shares

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

### Holdings of the Board of Directors and the CEO

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

### Management's share-based incentive scheme

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

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

The terms and conditions of the incentive scheme and conditions relating to the issue of the shares are described in more detail in the company release issued on 15 July 2020: [investors.avidlyagency.com/en/company-news](http://investors.avidlyagency.com/en/company-news)



## Share authorisations

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

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

The Board of Directors is otherwise authorised to resolve upon all terms and conditions of the aforementioned acquisitions, including the procedure by which the shares shall be acquired. The acquired shares may be held in the company's possession or they may be annulled or further transferred. The authorisation is valid until 30 June 2022. Avidly did not repurchase any of its own shares during the review period under this or a previous authorisation.

On 23 December 2021, the Board of Directors of Avidly Plc resolved to launch a share buy-back program for the Company's own shares and to begin repurchasing

Company's own shares. The implementation of the program has been described in the events after the financial year.

### Authorisation to resolve upon one or more share issues

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

The maximum number of shares that can be issued under the authorisation, either by issuing new shares, transferring treasury shares possessed by Avidly Plc or by issuing option and other special rights entitling to shares as set out in the Finnish Limited Liability Companies Act Chapter 10 Section 1, is 1,587,000 shares. The amount corresponds to approximately a maximum of 30% of all shares in Avidly Plc, after all shares that can be issued and/or all treasury shares that can be transferred and/or all shares that can be issued based on option and other special rights entitling to shares as set out in the Finnish Limited Liability Companies Act Chapter 10 Section 1 have been issued and/or transferred pursuant to a decision made under the authorisation. The authorisation shall not limit

the right of the Board of Directors to resolve upon directed issues of shares or option and other special rights entitling to shares as set out in the Finnish Limited Liability Companies Act 10 Section 1.

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

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

Both authorisations revoked the corresponding authorisations previously granted. The resolutions of the Annual General Meeting are available in their entirety on Avidly's website [investors.avidlyagency.com/en/company-news](https://investors.avidlyagency.com/en/company-news)

## CORPORATE GOVERNANCE

### Annual General Meeting

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

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

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

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

### Company management

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



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

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

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

#### **Certified Advisor**

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

#### **Auditor**

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

## **BUSINESS RISKS AND UNCERTAINTIES**

### **Risks related to changes in the market environment**

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

### **Strategic risks**

Avidly aims to grow faster than the market both organically and by actively concluding M&A transactions. Digitalization is currently rapidly changing the marketing communications industry. This has brought, and will continue to bring, many new, agile operators into the industry, and defining the entire industry segment has become more difficult than before. This has made competition tougher, and Avidly will need to compete even more against both the established industry operators and entirely new competitors.

### **Operational risks**

The general market situation has a major impact on demand for marketing communications services. The company has continuously aimed to improve its cost

efficiency and financial control and, thereby, its ability to react to any changes in the market situation.

The continuing strong shift of focus in the marketing communications industry towards digital services demands that the current personnel acquire new competences and are able to rapidly renew themselves. Furthermore, it must be possible to recruit new expertise, which makes Avidly's employer brand very important.

Marketing communications projects commonly use a fixed price. Profitability requires that the projects are assessed and priced correctly. It is possible that the pricing of the projects will fail and the projects' profitability will suffer. Pricing projects focused on software is particularly challenging. Furthermore, there is increased price competition in public administration projects in particular, which may affect the profitability of the projects. With regard to outsourcing services, the service contracts signed with clients will often have a long duration, and if Avidly should fail in the negotiations and pricing related to them, this may have a negative impact on the development of profitability within Avidly.

In line with its strategy, Avidly has concluded and will continue to aim to conclude M&A transactions in order to extend the Group's service offering and grow its geographical coverage. In the longer term, Avidly aims to conclude even more M&A transactions in Europe. Concluding acquisitions outside of Finland

and the Nordic countries may be more difficult than in a domestic context. There is uncertainty related to the completion of acquisition in terms of finding suitable companies and determining the correct price. The integration phase occurring after an acquisition includes the risk of the customers and personnel of the acquired companies leaving following the arrangement.

### **Financial risks**

Avidly's total interest-bearing liabilities are approximately 5.7 million euros, of which approximately 2.7 million lease liabilities under IFRS16 Leases. Changes in reference rates do not have a material impact on Avidly's financing costs, as the majority of loans from financial institutions are hedged with an interest rate collar.

The Group's currency risk mainly consists of currency translation risk in foreign operations. Avidly's long-term financing is in euros and does not have any exchange rate risk. Avidly estimates its exchange rate risks to be minor on the closing date.

Accident and interruption insurance has been taken out in order to protect against interruptions in Avidly's business due to accidents. In order to ensure business continuity, most of Avidly's documents are also automatically backed up in a secured storage located outside of the office locations.

One of Avidly's subsidiaries has two pending interlinked disputes related to the termination of



employment of two former employees. The company won the dispute in the Helsinki District Court and the plaintiffs have appealed to the Court of Appeal. The Court of Appeal has not yet ruled on the appeal. Avidly is not aware of any other litigation related to the Parent Company or other Avidly Group companies or risks related to measures by the authorities.

### COVID-19

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

However, Avidly is well-positioned to also serve its customers during the pandemic, as remote working has not significantly affected Avidly's ability to provide services to the customer companies. Employees' safety and health play a key role in the company being able to provide services in the current disruption.

The company's management has closely monitored the impacts of the pandemic and surveyed its potential impacts on forecasts and the measurement principles of balance sheet items. Based on the management's monitoring and assessment, the COVID-19 pandemic has not had significant negative impacts on the company's business so far. According to current knowledge, the impacts do not make it necessary to adjust the long-term objectives.

## EVENTS AFTER THE REVIEW PERIOD

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

Between 3 January 2022 and 7 January 2022, Avidly acquired a total of 19,650 of its own shares in trading on the Nasdaq First North Growth Market Finland, organized by Nasdaq Helsinki Oy. The average purchase price per share was 5,0860 euros and the total value was 99,938.97 euros.

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

### The Digital 22 Online acquisition was completed

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

The total purchase price of the shares was 1,225,882 euros, of which the cash payment accounted for approximately 833,600 euros. The purchase price paid for Avidly's shares amounted to approximately 392,282 euros, according to which the sellers of Digital 22 Online Limited's shares subscribed for 79,656 new Avidly shares in the share issue directed to them. The subscription price per share was 4,9247 euros, which corresponds to the trade-weighted average price of Avidly's shares on the Nasdaq First North Growth

marketplace maintained by the Helsinki Stock Exchange on 13 December 2021 – 11 January 2022.

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

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

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

### New COO

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

### Recognitions received

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

## OUTLOOK FOR 2022

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

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

In Helsinki, 3 March 2022.

## AVIDLY PLC

## BOARD OF DIRECTORS



## CONSOLIDATED INCOME STATEMENT, IFRS

EUR 1,000	Note	1 Jan-31 Dec, 2021	1 Jan-31 Dec, 2020
<b>REVENUE</b>	2,3	29,972	24,970
Other operating income	4	86	258
Materials and services	5	-8,462	-6,579
Employee benefit expenses	6, 21	-16,600	-13,558
Depreciation and amortization	7	-1,683	-1,785
Other operating expenses	8	-3,371	-3,368
Share of profit in associated companies		0	0
<b>OPERATING RESULT</b>		-57	-61
Financial income and expenses	9	-212	-339
<b>PROFIT BEFORE TAX</b>		-269	-400
Income taxes	10	51	58
Profit for the period		-218	-342

EUR 1,000	Note	1 Jan-31 Dec, 2021	1 Jan-31 Dec, 2020
<b>ATTRIBUTABLE TO:</b>			
Parent company shareholders		-218	-342
Minority shareholders		0	0
<b>EARNINGS PER SHARE CALCULATED FROM PROFIT ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS, EUR:</b>			
Undiluted	11	-0.04	-0.09
Diluted	11	-0.04	-0.08
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, EUR 1,000</b>			
Profit for the period		-218	-342
Items that may be reclassified to profit or loss in subsequent periods			
Translation differences		114	-38
Total comprehensive profit for the period		-104	-380
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>			
Parent company shareholders		-104	-380
Minority shareholders		0	0



## CONSOLIDATED BALANCE SHEET, IFRS

EUR 1,000	Note	31 Dec, 2021	31 Dec, 2020
<b>ASSETS</b>			
Non-current assets			
Intangible rights	13	387	540
Goodwill	13, 14	7,687	7,687
Buildings	12	1,998	2,483
Machinery and equipment	12	762	780
Other tangible assets	12	20	19
Investments in associated companies	15	315	316
Deferred tax assets	16	443	525
<b>Total non-current assets</b>		<b>11,612</b>	<b>12,437</b>
Current assets			
Work in process	17	584	645
Accounts receivables	18	3,163	3,278
Deferred tax assets	16	436	388
Other receivables	18	480	550
Prepayments and accrued income	18	796	563
Cash and cash equivalents	19	5,034	6,161
<b>Total current assets</b>		<b>10,493</b>	<b>11,585</b>
<b>TOTAL ASSETS</b>		<b>22,105</b>	<b>23,935</b>

EUR 1,000	Note	31 Dec, 2021	31 Dec, 2020
<b>EQUITY AND LIABILITIES</b>			
Equity			
Share capital	20	322	322
Invested unrestricted equity fund	20	12,659	12,659
Retained earnings	20	-2,340	-3,189
<b>Total equity</b>		<b>10,641</b>	<b>9,792</b>
Non-current liabilities			
Financial liabilities	22, 24	2,907	4,316
Deferred tax liabilities	16	171	209
<b>Total non-current liabilities</b>		<b>3,078</b>	<b>4,525</b>
Current liabilities			
Financial liabilities	22, 24	2,789	3,249
Received advances	23	560	609
Accounts payable	23, 24	1,166	1,174
Other liabilities	23, 24	1,898	2,636
Accrued expenses and deferred income	23, 24	1,973	1,950
<b>Total current liabilities</b>		<b>8,386</b>	<b>9,618</b>
<b>TOTAL LIABILITIES</b>		<b>11,464</b>	<b>14,143</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>22,105</b>	<b>23,935</b>



## CONSOLIDATED CASH FLOW STATEMENT, IFRS

EUR 1,000	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
<b>CASH FLOW FROM OPERATIONS</b>		
Operating result	-57	-61
Adjustments to operating result	2,636	1,890
Change in working capital	-481	-6
Received financial income	36	18
Financial expenses paid	-261	-233
Taxes paid	-	3
<b>Cash flow from operations</b>	<b>1,873</b>	<b>1,611</b>
<b>CASH FLOW FROM INVESTMENTS</b>		
Investments in tangible and intangible assets	-116	133
<b>Cash flow from investments</b>	<b>-116</b>	<b>133</b>

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



## CHANGES IN CONSOLIDATED EQUITY, IFRS

EUR 1,000	Share capital	Invested unrestricted equity fund	Retained earnings	Total
<b>EQUITY AT 1 JANUARY 2020</b>	<b>322</b>	<b>9,690</b>	<b>-2,978</b>	<b>7,034</b>
Share issue		2,959		2,959
Transfer of treasury shares		10		10
Share-based incentive program			169	169
Translation difference			-38	-38
Profit for the period			-342	-342
<b>EQUITY AT 31 DECEMBER 2020</b>	<b>322</b>	<b>12,659</b>	<b>-3,189</b>	<b>9,792</b>

EUR 1,000	Share capital	Invested unrestricted equity fund	Retained earnings	Total
<b>EQUITY AT 1 JANUARY 2021</b>	<b>322</b>	<b>12,659</b>	<b>-3,189</b>	<b>9,792</b>
Share issue				-
Share-based incentive program			953	953
Translation difference			114	114
Profit for the period			-218	-218
<b>EQUITY AT 31 DECEMBER 2021</b>	<b>322</b>	<b>12,659</b>	<b>-2,340</b>	<b>10,641</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



## 1. ACCOUNTING POLICIES

### BASIC INFORMATION ON THE GROUP

Avidly is a leading martech service provider listed on the Nasdaq First North Growth marketplace in Helsinki. We offer holistic digital marketing and sales services and customer experience, data and technology are closely entwined into our impact-driven growth strategy. At year-end 2021, we were a team of approximately 240 persons in 16 locations in Finland, Sweden, Norway, Denmark and Germany.

The group's parent company is Avidly Plc. The parent company's domicile is Helsinki, its country of incorporation is Finland and its registered address is Konepajankuja 1, 00510 Helsinki, Finland.

A copy of the consolidated financial statements is available at Konepajankuja 1, 00510 Helsinki, Finland. Avidly Plc's Board of Directors has approved these financial statements for publication in its meeting on 3 March, 2022. Pursuant to the Finnish Limited Liability Companies Act, shareholders may approve or reject the financial statements in a General Meeting held following their publication. The General Meeting may decide on amending the financial statements.

#### Accounting policies

The consolidated financial statements are drawn up according to the International Financial Reporting Standards (IFRS), and the IAS and IFRS standards and SIC and IFRIC interpretations in force as of 31 December 2021 have been used during their preparation. In the Finnish Accounting Act and the regulations issued based on it, the International Financial Reporting Standards refer to the standards

approved for application within the EU according to the procedure decreed in EU Regulation no. 1606/2002. The notes to the consolidated financial statements are also in line with the Finnish accounting and company legislation that supplements the IFRS regulations.

Unless otherwise stated in these accounting policies, the consolidated financial statements are based on historical cost.

The financial statements are presented in thousands of euros.

The consolidated financial statements utilize the exemptions available for first-time adopters in the IFRS 1 standard for business acquisitions prior to 1 January 2015. Any other exemptions allowed by the IFRS 1 standard have not been applied.

### POLICIES REQUIRING MANAGEMENT JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements pursuant to the IFRS standards requires certain estimates and judgments from the group management. Furthermore, judgment is required in the application of the accounting policies and in the preparation of estimates for depreciation periods and impairment tests, for example.

The estimates made during the preparation of the financial statements are based on the management's best available outlook on the final date of the reporting period. The estimates are based on earlier experience as well as assumptions concerning the future that are considered to be the most likely at the time of the



closing of the accounts. Any changes in the estimates or assumptions are entered in the accounting records for the accounting period during which the estimate or assumption is adjusted, and for all accounting periods following it.

In Avidly group, the key assumptions concerning the future and the key sources of estimation uncertainty on the date of the financial statements are related to the determination of fair value of the assets and liabilities of acquired businesses, the allocation of acquisition cost to unrecognized assets of the acquired company, and the impairment testing of goodwill and intangible assets with an unlimited useful life. The valuation of inventories involves estimates and judgment especially as regards the obsolescence of inventories.

Each year, the group performs impairment tests on goodwill and those intangible assets with an unlimited useful life, and estimates any indications of impairment. The recoverable amounts from units generating cash flow have been determined using calculations based on value in use. Preparing these calculations requires using estimates. Additional information regarding the sensitivity of the recoverable amount to changes in the assumptions is available in note 13, "Intangible assets".

Share-based payments include discretion especially related to the estimation of the amount of the shares, which are assumed to be vested at the end of the incentive program's earning period.

## CONSOLIDATION PRINCIPLES

### Policies for preparation of the consolidated financial statements

Subsidiaries are companies that the group has control over. Control is created when the group, by participating in an entity, is exposed to the entity's variable profit or is entitled to partake in its variable profit, and it is able to affect the said profit by exercising its control over the entity.

The acquisition method has been used to eliminate share ownership between group companies. The transferred consideration and the acquired company's identifiable assets and liabilities have been recognized at fair value at the time of acquisition. Costs related to the acquisition have been recognized as expenses. The consideration transferred does not include transactions that are treated separately from the purchase. These are usually recognized in profit or loss. Any possible contingent purchase price is valued at fair value at the time of acquisition, and it is classified as either liability or equity. A contingent purchase price classified as a liability is valued at fair value at the end of each reporting period, and the resulting profit or loss is recognized in profit or loss. A contingent purchase price classified as equity is not valued again. Any possible non-controlling interests in the object of the acquisition are recognized either at fair value or at an amount corresponding to the non-controlling interests' proportional share of the object's identifiable net assets. The recognition principle is defined separately for each business acquisition. The treatment of

goodwill resulting from the purchase of subsidiaries is described in the section titled "Goodwill".

Acquired subsidiaries are included in the consolidated financial statements from the moment the group gains control, and transferred subsidiaries are included up to the moment the control ceases to exist. Any business transactions between group companies, receivables, liabilities and unrealized gains as well as the internal distribution of profits are eliminated when the consolidated financial statements are prepared. Unrealized losses are not eliminated if the loss is due to impairment. Changes in the Parent Company's ownership interest in the subsidiary that do not lead to loss of control are treated as business transactions concerning equity.

Associated companies are companies that the group has significant influence over. Significant influence is generally established when the group owns more than 20% of the votes in the company or when the group otherwise has significant influence but no control.

Associated companies are consolidated into the consolidated financial statements by means of the equity method. If the group's share of the losses of an associate exceed the investment's book value, the investment is recorded at zero value and losses exceeding book value are not consolidated unless the group is committed to fulfilling the obligations of associates. Investments in associates include the goodwill created by the acquisition. Unrealized

gains and losses between the group and the associate have been eliminated in proportion to the group's ownership interest. Unrealized losses are not eliminated if the business transaction points toward the impairment of the transferred asset. The share of profit in an associated company, proportional to the group's ownership interest, is presented prior to operating profit. Correspondingly, the group's share of any changes recognized under other items in the associated companies' comprehensive income is recognized under other items in the group's comprehensive statement of income. The group's associated companies have had no such items during the accounting periods 2015–2021.

Avidly group does not have any joint ventures.

## SEGMENT INFORMATION

Group reports two segments, Finland and Other countries.

## CONVERSION OF ITEMS DENOMINATED IN A FOREIGN CURRENCY

The consolidated financial statements are presented in euros, which is the operation and presentation currency of the group's parent entity.



Receivables and liabilities are converted at the closing rate. Exchange differences caused by the conversion are recognized in profit or loss.

## REVENUE RECOGNITION POLICIES AND REVENUE

Income from the sales of products and services, adjusted for indirect taxes and discounts, is presented as revenue.

Revenue is recognized when the service has been rendered and the control has been transferred to the customer. The control is transferred when the group is entitled to receive payment from the service, the risks and benefits are transferred to the customer, and the customer has approved the service.

## OTHER OPERATING INCOME

Other operating income includes, for example, profit from the sales of fixed assets and income from the transfer of business operations.

## EMPLOYEE BENEFITS

Pension plans are classified as defined benefit plans and defined contribution plans. Avidly's statutory and voluntary pension plans are defined contribution plans.

The pension insurance fees for defined contribution pension plans are paid to the pension insurance company. Payments into defined contribution plans are recognized as expenses in the income statement for the accounting period that it concerns.

## SHARE-BASED PAYMENTS

The group has incentive plans where the payments are being performed as equity instruments.

The granted benefits of the plan are valued at fair value on the reporting date and recognized as an expense in the income statement during the contractual life (earning period). The impact on the profit and loss is presented in the employee benefit expenses.

The determined expense of the shares on the reporting date is based on the group's estimate of the number of shares that are assumed to be allocated at the end of the contractual life (earning period). The group updates the estimate on the final number of the assumed shares on each reporting date. The changes in the assumptions are recognized in the income statement and retained earnings in the group's equity.

Additional information on the share-based payments are presented in the Note 21 "Share-based payments".

## OPERATING PROFIT

The group has defined operating profit as follows: operating profit is the net sum received from revenue added by other operating income and subtracted for inventory changes, employee benefit expenses, depreciations and any possible impairment losses, other operating expenses, and share of profit in associated companies. All other income statement items than those listed above are presented below the operating profit.

## INCOME TAXES

The income taxes in the consolidated income statement consist of current and deferred taxes. Taxes are recognized in profit or loss, except for when they are directly related to items recognized as equity or other items in the comprehensive income statement. In this case, the tax is also recognized under these items.

Deferred taxes are calculated from the temporary differences between book value and the tax base. The largest temporary differences arise from the treatment of finance leases and the amortization differences between sales recognition and incomplete work. No deferred tax is recognized for goodwill impairment that is not tax deductible. Deferred taxes are calculated using tax rates that have been enacted or substantively enacted by the date of the financial statements.

Deferred tax assets are recognized up to an amount of probable future taxable income against which the deferred tax assets can be utilized; this approach has been applied in the calculation of deferred tax assets from losses confirmed in taxation. Deferred tax liabilities are recognized in full.

The group will subtract deferred tax assets from deferred tax liabilities in cases where the group has a legally enforceable right to settle current tax assets and liabilities and the deferred tax assets and liabilities are related to income taxes collected by the same recipient, from either the same taxpayer or different taxpayers who aim to settle the current tax assets and liabilities or realize the receivables and pay off the liabilities contemporaneously.

## TANGIBLE ASSETS

Tangible assets are valued at acquisition cost deducted by accrued depreciations and impairment losses. Acquisition cost includes costs directly resulting from the purchase of tangible assets. Other expenses, such as normal maintenance and repair, are recognized as costs in the income statement.

Tangible assets consist of machinery and equipment. A straight-line method of depreciation is used accounting to the useful life of 3–5 years.



## INTANGIBLE ASSETS

### Goodwill

Goodwill created from business acquisitions is recognized at the amount by which the total sum of the transferred consideration, non-controlling interests in the object of purchase, and the previously owned share exceed the fair value of the acquired net assets.

According to the Finnish financial reporting framework, goodwill is calculated as the difference of the purchase price and the subsidiary's equity, and registered to those subsidiary assets that are considered to be the cause of the difference. In IFRS financial statements, the identifiable assets and liabilities of the acquired subsidiary are valued at fair value on the date of acquisition, which will usually reduce the portion of goodwill. The consolidated financial statements retroactively apply the IFRS 3 standard. Pursuant to the requirement in IFRS 1, all goodwill is tested for impairment at the time of transition. The test did not lead to recognition of impairment in the IFRS balance sheet.

### Other intangible assets

In business acquisition, a part of the difference between the purchase price and the subsidiaries' equity is registered to customer relationships for which a 5-year straight-line depreciation is used.

## IMPAIRMENTS

The book values of assets are regularly assessed in order to detect any possible signs of impairment. If signs of impairment are observed, the recoverable amount for the asset is determined. Goodwill is registered to cash generating units. It is tested for impairment annually. Impairment loss is generated if the book value of an asset or cash-generating unit exceeds the asset's recoverable amount.

Impairment loss is registered in the income statement. Impairment loss from a cash-generating unit is primarily registered as a reduction of goodwill for the cash-generating unit and secondarily as a reduction of other assets in the unit on a pro rata basis.

The recoverable amount from intangible and tangible assets is defined as either the fair value less costs to sell or the value in use, whichever is higher. When determining value in use, the estimated future cash flows are discounted to present value using discount rates that depict the average capital cost before tax for the cash-generating unit in question. Impairment loss related to tangible assets and other intangible assets, except goodwill, is reversed if the estimates used when determining the asset's recoverable amount have changed. Impairment loss is reversed at most up to the amount that would have been determined as the book value for the asset if no impairment loss had been registered in previous years.

## LEASES

Avidly group applies IFRS 16 Leases -standard. As a result, non-cancellable leases are recognized in the group's balance sheet. Rental expenses included in the income statement's other operating expenses are replaced by interest expenses and depreciation.

## INVENTORIES

Inventories consist of work in process that is valued under variable expenses in a manner where the value of the work in process does not exceed the net realizable value available from it. Net realizable value is the estimated selling price for the inventories received during ordinary course of business, deducted by the estimated costs for completion and the estimated necessary selling costs.

## ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets held for sale and asset related to discontinued operations are valued pursuant to the IFRS 5 standard at book value or fair value, whichever is lower, deducted by the estimated selling costs. Once an asset has been classified as a non-current asset held for sale or a disposal group, no depreciation is made. Non-current assets classified as held for sale and assets included in the disposal group are presented as separate items in the balance sheet. Debt related to a

disposal group is also presented as a separate item in the balance sheet.

A discontinued operation is a component of the group that has been disposed of or classified as held for sale and that meets the classification criteria for a discontinued operation pursuant to IFRS 5. Earnings from discontinued operations are presented as a separate item in the consolidated statement of comprehensive income.

On the date of the financial statements, the group has no discontinued operations or non-current assets held for sale pursuant to IFRS 5.

## ACCOUNTS RECEIVABLE

Accounts receivable are valued at acquisition cost, and receivables from which no future profit is expected are registered as impairment. Based on the available information, the company's management assesses the client's ability to fulfil its responsibilities and, if it appears probable that the entire sum cannot be collected, estimates the amount of credit loss.

## FINANCIAL INSTRUMENTS

Group's financial instruments are valued and classified according to IFRS 9 standard in the following groups: financial instruments at amortized cost, financial instruments at fair value through comprehensive



income statement, and financial instruments at fair value through profit and loss. The financial instruments are classified based on targets related to the business model and the contractual cash flow nature at the original trade date. Financial instruments at fair value through profit and loss includes contingent purchase price receivables and derivative financial instruments. Contingent purchase price receivables are recorded in business acquisitions. Purchase price receivables and derivative financial instruments are recorded at fair value in balance sheet on the trade date and revalued at the end of the accounting period. Changes in the contingent purchase price receivables are recorded in financial items in income statement. The valuation of contingent purchase price receivables and contingent considerations is based on estimated discounted values of corresponding cash flows. The valuation is done on each reporting day based on the conditions set in purchase agreement. Management estimates the fulfilment of conditions on each reporting day.

Financial instruments valued at amortized cost include account receivables and other receivables. According to IAS 39, these items were included in item 'loans and other receivables'. Account receivables and

contractual assets are written off from balance sheet as final credit loss when no payment within reason can be expected. Indications on no payment being expected include significant financial difficulties of debtor, likelihood of bankruptcy, nonpayment of bills or late payments of over 180 days. Impairment loss related to account receivables and contractual assets are presented in other operating expenses in income statement. Shares in unlisted companies are classified as financial instruments at fair value through comprehensive income statement and the profit or loss related to the changes in fair value is recorded in other items of comprehensive income statement and are not recognized in profit or loss when sold. The dividends from these shares are recorded in financial income when the group is entitled to a dividend.

#### **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of change in value.

#### **PROVISIONS AND CONTINGENT LIABILITIES**

Provisions are entered in the balance sheet when the group has, as a consequence of a past event, a present legal or constructive obligation, it is probable that meeting the obligation will require a payment or cause a financial loss, and the amount of the obligation can be reliably assessed. Provisions may be related to restructuring of operations, onerous contracts, litigation, and tax risks. A contingent liability presented in the notes is either a potential obligation generated as a consequence of past events whose realization is uncertain, or a present obligation that will probably not require making a payment or the amount of which cannot be reliably determined.

#### **APPLIED NEW AND AMENDED STANDARDS AND INTERPRETATIONS**

No such new or amended standards and interpretations came into force in 2021 that would have had an impact on Avidly group's accounting policies.

#### **NEW AND RENEWED STANDARDS AND INTERPRETATIONS TO BE APPLIED LATER**

On the reporting date, the group has not identified any such new or renewed standards and interpretations that would have an impact on Avidly group's accounting policies.





## 2. SEGMENT REPORTING

Group reports two segments, Finland and Other countries

EUR 1,000	1-12 2021	1-12 2020
<b>REVENUE BY SEGMENT</b>		
Finland	23,672	19,717
Other countries	7,099	5,627
Group eliminations and unallocated	-799	-374
<b>Avidly Group, total</b>	<b>29,972</b>	<b>24,970</b>
<b>GROSS PROFIT BY SEGMENT</b>		
Finland	15,936	14,025
Other countries	5,953	4,797
Group eliminations and unallocated	-293	-173
<b>Avidly Group, total</b>	<b>21,596</b>	<b>18,649</b>
<b>OPERATING RESULT BY SEGMENT</b>		
Finland	1,030	167
Other countries	-132	-53
Group eliminations and unallocated	-955	-175
<b>Avidly Group, total</b>	<b>-57</b>	<b>-61</b>
<b>ADJUSTED OPERATING RESULT* BY SEGMENT</b>		
Finland	1,084	272
Other countries	-8	71
Group eliminations and unallocated	-2	-6
<b>Avidly Group, total</b>	<b>1,074</b>	<b>337</b>

EUR 1,000	31 Dec 2021	31 Dec 2020
<b>ASSETS BY SEGMENT</b>		
Finland	19,569	18,909
Other countries	4,415	6,348
Group eliminations and unallocated	-1,879	-1,322
<b>Avidly Group, total</b>	<b>22,105</b>	<b>23,935</b>
<b>LIABILITIES BY SEGMENT</b>		
Finland	9,107	11,534
Other countries	4,234	3,954
Group eliminations and unallocated	-1,877	-1,345
<b>Avidly Group, total</b>	<b>11,464</b>	<b>14,143</b>

### 3. REVENUE

EUR 1,000	2021	2020
Finland	23,310	19,343
Other countries	6,662	5,627
<b>Total</b>	<b>29,972</b>	<b>24,970</b>

### 4. OTHER OPERATING INCOME

EUR 1,000	2021	2020
Profit from the sale of fixed assets	0	0
Rental income	0	0
Other income	86	258
<b>Total</b>	<b>86</b>	<b>258</b>

### 5. MATERIALS AND SERVICES

EUR 1,000	2021	2020
Purchases during the accounting period	5,386	4,341
Changes in inventory	74	395
External services	3,002	1,843
<b>Total</b>	<b>8,462</b>	<b>6,579</b>

### 6. EMPLOYEE BENEFIT EXPENSES

EUR 1,000	2021	2020
Salaries	14,185	11,683
Pension expenses, defined contribution plan	1,826	1,445
Other employee benefit expenses	589	430
<b>Total</b>	<b>16,600</b>	<b>13,558</b>
Average number of group personnel during the accounting period	237	228

Salaries include in total of 953 thousand euros of shared-based incentive related IFRS-bookings (not cash flow related). More details are presented in the Note 21. Share-based payments.

Information regarding the management's employee benefits is presented in note 26. Related party transactions

### 7. DEPRECIATIONS AND AMORTIZATIONS

EUR 1,000	2021	2020
Intangible assets	216	325
Finance lease + rental properties	1,400	1,403
Other tangible assets	67	57
<b>Total</b>	<b>1,683</b>	<b>1,785</b>

### 8. OTHER OPERATING EXPENSES

EUR 1,000	2021	2020
Expenses of premises	469	437
Other expenses	2,902	2,931
<b>Total</b>	<b>3,371</b>	<b>3,368</b>

#### AUDITOR'S FEES

EUR 1,000	2021	2020
Statutory Audit	68	61
Other services	26	25
<b>Total</b>	<b>94</b>	<b>86</b>



## 9. FINANCIAL INCOME AND EXPENSSES

FINANCIAL INCOME		
EUR 1,000	2021	2020
Interest income from others	37	26
<b>Total</b>	<b>37</b>	<b>26</b>

  

FINANCIAL EXPENSES		
EUR 1,000	2021	2020
Interest expenses for financial liabilities valued at amortized cost	116	107
Other financial expenses	133	258
<b>Total</b>	<b>249</b>	<b>365</b>

## 10. INCOME TAXES

EUR 1,000	2021	2020
Tax based on taxable income from accounting period	0	0
Prior accounting periods taxes	0	-3
Deferred taxes:		
Created and reversed temporary differences	-51	-55
<b>Total</b>	<b>-51</b>	<b>-58</b>

## RECONCILIATION OF THE TAX EXPENSE RECOGNIZED IN THE CONSOLIDATED STATEMENT OF INCOME AND INCOME TAXES CALCULATED AT THE FINNISH STATUTORY TAX RATE 20%

EUR 1,000	2021	2020
Profit before tax	-269	-400
Income taxes at current tax rate	-54	-80
Unbooked tax receivable based on the profit for the period	3	22
Booking of unused confirmed losses	0	0
<b>Total</b>	<b>-51</b>	<b>-58</b>

## 11. EARNINGS PER SHARE

EUR 1,000	2021	2020
Profit for the period attributable to parent company shareholders	-218	-342
Profit for the period attributable to parent company shareholders in order to calculate earnings per share, continuing operations	-218	-342
Number of shares, weighted average during accounting the period	5,279,531	3,954,023
Undiluted earnings per share, continuing operations	-0.04	-0.09



## 12. TANGIBLE ASSETS

2021	Machinery and equipment	Other tangible assets	Buildings	Total
<b>EUR 1,000</b>				
Acquisition cost at 1 Jan	2,721	19	4,501	7,241
Additions	335	1	629	965
Deductions	0	0	0	0
Acquisition cost at 31 Dec	3,056	20	5,130	8,206
Accumulated depreciations and impairment at 1 Jan	-1,941	0	-2,018	-3,959
Depreciation	-353	0	-1,114	-1,467
Accumulated depreciations and impairment at 31 Dec	-2,294	0	-3,132	-5,426
<b>Book value at 1 Jan 2021</b>	<b>780</b>	<b>19</b>	<b>2,483</b>	<b>3 282</b>
<b>Book value at 31 Dec 2021</b>	<b>762</b>	<b>20</b>	<b>1,998</b>	<b>2,780</b>

2020	Machinery and equipment	Other tangible assets	Buildings	Total
<b>EUR 1,000</b>				
Acquisition cost at 1 Jan	2,576	83	3,105	5,764
Additions	145	23	1,396	1,564
Deductions	0	-87	0	-87
Acquisition cost at 31 Dec	2,721	19	4,501	7,241
Accumulated depreciations and impairment at 1 Jan	-1,570	0	-929	-2,499
Depreciation and amortization	-371	0	-1,089	-1,460
Accumulated depreciations and impairment at 31 Dec	-1,941	0	-2,018	-3,959
<b>Book value at 1 Jan 2020</b>	<b>1,006</b>	<b>83</b>	<b>2,176</b>	<b>3,265</b>
<b>Book value at 31 Dec 2020</b>	<b>780</b>	<b>19</b>	<b>2,483</b>	<b>3,282</b>

## 13. INTANGIBLE ASSETS

2021	Goodwill	Intangible rights	Total
<b>EUR 1,000</b>			
Acquisition cost at 1 Jan	7,687	2,404	10,091
Additions	0	63	63
Deductions	0	0	0
Acquisition cost at 31 Dec	7,687	2,467	10,154
Accumulated depreciations and impairment at 1 Jan	0	-1,864	-1,864
Depreciation and amortization	0	-216	-216
Accumulated depreciations and impairment 31 Dec	0	-2,080	-2,080
<b>Book value at 1 Jan 2021</b>	<b>7,687</b>	<b>540</b>	<b>8,227</b>
<b>Book value at 31 Dec 2021</b>	<b>7,687</b>	<b>387</b>	<b>8,074</b>

2020	Goodwill	Intangible rights	Total
<b>EUR 1,000</b>			
Acquisition cost at 1 Jan	7,731	2,313	10,044
Additions	20	91	111
Deductions	-64	0	-64
Acquisition cost at 31 Dec	7,687	2,404	10,091
Accumulated depreciations and impairment at Jan 1	0	-1,539	-1,539
Depreciation and amortization	0	-325	-325
Accumulated depreciations and impairment at 31 Dec	0	-1,864	-1,864
<b>Book value at 1 Jan 2020</b>	<b>7,731</b>	<b>774</b>	<b>8,505</b>
<b>Book value at 31 Dec 2020</b>	<b>7,687</b>	<b>540</b>	<b>8,227</b>



## IMPAIRMENT TESTING

The group has two reportable segments. For the purposes of impairment testing, goodwill is allocated on the segments in question. The combined value of goodwill allocated on the Group is EUR 7 687 thousand. The cash flow forecasts used in impairment testing are based on company and group level forecasts approved by the management which cover a five-year period and affect the terminal period. Cash flows following the forecast period approved by the management have been extrapolated by using a steady growth factor of 3%.

The key variables used in calculating value in use are as follows:

1. Volume increase based on an estimate of sales development.
2. A discount rate determined on the basis of average weighted capital cost for the industry segment that describes the total cost of equity and liabilities. The factors in the discount rate are as follows:

- market-specific risk-free interest rate
- market risk premium
- non-equity capital cost
- equity ratio

A discount rate of 10% has been used.

Sensitivity analyses were carried out using a downside projection. In the projection, sales growth was reduced from the management estimate or interest rates were increased.

According to the goodwill testing sensitivity analysis, value in use would continue to match book value for all cash-generating units if:

- Revenue growth during the terminal period would not exceed 1%.
- Discount rate would increase by 5 percentage points.

Based on the impairment testing and completed sensitivity analyses, there is no need for recognizing impairment.

## 14. ACQUIRED BUSINESS

### ACQUISITIONS DURING THE ACCOUNTING PERIOD 2021

The group did not do any acquisitions during accounting period 2021.

### ACQUISITIONS DURING THE ACCOUNTING PERIOD 2020

The group did not do any acquisitions during accounting period 2020.

## 15. PARTICIPATIONS IN ASSOCIATED COMPANIES

EUR 1,000	2021	2020
Opening balance	316	316
Additions	-1	0
<b>Book value at 31 Dec</b>	<b>315</b>	<b>316</b>

Name	<b>PCKT Money Oyj</b>
Main industry segment	<b>Offering of payment cards</b>
Domicile	<b>Espoo, Finland</b>
Ownership interest	<b>25%</b>



## 16. DEFERRED TAX ASSETS AND LIABILITIES

2021

EUR 1,000	1 Jan	Recognized in income statement	Recognized as equity	31 Dec
<b>Deferred tax assets</b>				
Differences related to income recognition	233	11	0	244
Confirmed losses	642	-45	0	597
Acquired businesses	38	0	0	38
<b>Total</b>	<b>913</b>	<b>-34</b>	<b>0</b>	<b>879</b>
<b>Deferred tax assets Dec 31, 2021</b>	<b>913</b>	<b>-34</b>	<b>0</b>	<b>879</b>

2020

EUR 1,000	1 Jan	Recognized in income statement	Recognized as equity	31 Dec
<b>Deferred tax assets</b>				
Differences related to income recognition	188	45	0	233
Confirmed losses	713	-71	0	642
Acquired businesses	38	0	0	38
<b>Total</b>	<b>939</b>	<b>-26</b>	<b>0</b>	<b>913</b>
<b>Deferred tax assets Dec 31, 2020</b>	<b>939</b>	<b>-26</b>	<b>0</b>	<b>913</b>

2021

EUR 1,000	1 Jan	Recognized in income statement	Recognized as equity	31 Dec
<b>Deferred tax liabilities</b>				
Differences related to income recognition	57	-36	0	21
Acquired businesses	139	0	0	139
Other	13	-2	0	11
<b>Total</b>	<b>209</b>	<b>-38</b>	<b>0</b>	<b>171</b>
<b>Deferred tax liabilities Dec 31, 2021</b>	<b>209</b>	<b>-38</b>	<b>0</b>	<b>171</b>

2020

EUR 1,000	1 Jan	Recognized in income statement	Recognized as equity	31 Dec
<b>Deferred tax liabilities</b>				
Differences related to income recognition	103	-46	0	57
Acquired businesses	139	0	0	139
Other	47	-34	0	13
<b>Total</b>	<b>289</b>	<b>-80</b>	<b>0</b>	<b>209</b>
<b>Deferred tax liabilities Dec 31, 2020</b>	<b>289</b>	<b>-80</b>	<b>0</b>	<b>209</b>

## 17. INVENTORIES

EUR 1,000	2021	2020
Work In Process	584	639
Goods	0	6
<b>Total</b>	<b>584</b>	<b>645</b>

## 18. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

EUR 1,000	2021	2020
<b>Current</b>		
Loans and receivables		
Accounts receivable	3,163	3,278
Deferred tax assets	436	388
Other receivables	203	210
Loan receivables	277	340
Prepayments and accrued income	796	563
<b>Total</b>	<b>4,875</b>	<b>4,779</b>

During the accounting period, the group has recognized an impairment loss for accounts receivable totaling EUR 44 thousand (2020: EUR 73 thousand). There are no significant credit risk concentrations related to the receivables. The book value of the accounts receivable corresponds to their fair value. The maximum amount of the credit risk related to accounts receivable and other current receivables is their book value. The group has no securities for accounts receivable or other receivables.

## AGE BREAKDOWN FOR ACCOUNTS RECEIVABLE

EUR 1,000	2021	2020
<b>Undue and overdue for less than 30 days</b>	<b>2,971</b>	<b>3,041</b>
Overdue for 31–60 days	73	113
Overdue for 61–90 days	57	68
Overdue for more than 90 days	62	56
<b>Total</b>	<b>3,163</b>	<b>3,278</b>

## SIGNIFICANT ITEMS IN PREPAYMENTS AND ACCRUED INCOME

EUR 1,000	2021	2020
Other non-interest bearing receivables	573	364
Other expense advances	109	100
Advance invoicing	114	99
<b>Total</b>	<b>796</b>	<b>563</b>

## 19. CASH AND CASH EQUIVALENTS

EUR 1,000	2021	2020
Cash on hand and bank accounts	5,034	6,161
<b>Recognized cash and cash equivalents</b>	<b>5,034</b>	<b>6,161</b>

## 20. EQUITY

### SHARE CAPITAL

Share subscription price in connection with share issues is credited to share capital unless it is resolved in the share issue decision that it shall be recorded in invested unrestricted equity fund.

Avidly Plc has one share class. At the end of the accounting period Avidly had 5,290,004 shares. There is no maximum number of shares in Articles of Association. The share has no nominal value.

The shares are in book-entry system. Changes in number of shares and corresponding changes in equity are presented below.

EUR 1,000	Number of shares (thousand)	Share capital	Invested unrestricted equity fund	Treasury shares
<b>1 Jan 2020</b>	<b>2,488</b>	<b>322</b>	<b>9,690</b>	<b>14</b>
Share issue	2,802		2,959	
Transfer of treasury shares	0	0	10	-4
<b>31 Dec 2020</b>	<b>5,290</b>	<b>322</b>	<b>12,659</b>	<b>10</b>
Share issue	0	0	0	0
Transfer of treasury shares	0	0	0	0
<b>31 Dec 2021</b>	<b>5,290</b>	<b>322</b>	<b>12,659</b>	<b>10</b>

The Group had 10,473 treasury shares at the end of the period (2020: 10,473 shares).

### INVESTED UNRESTRICTED EQUITY FUND

Invested unrestricted equity fund includes other equity additions as well as the part of share subscription price that according to the share issue decision is not to be credited to the share capital.





## DIVIDENDS

In 2021 and 2020, a dividend of EUR 0.00 per share was paid.

After the accounting period, the Board of Directors has proposed a dividend of EUR 0.00 per outstanding share.

## 21. SHARE-BASED PAYMENTS

Avidly Plc's Board of Directors has resolved on July 15, 2020 to establish a new share-based long-term incentive plan for the group management.

The incentive plan includes one performance period. The performance period will commence on 1 June 2020 and end on 31 May 2023. The participants may earn an investment-based reward and a performance-based reward from the performance period.

The prerequisites for receiving investment-based reward on the basis of the plan is that a participant acquires Company's shares or allocates previously owned Company's shares up to the number determined by the Board of Directors and has not terminated his/her employment or service relationship with the Company or a company belonging to the same group upon reward payment. The performance-based reward from the plan is based on the total shareholder return of the Company's shares and on a participant's employment or service relationship upon reward payment. As a general rule, no performance-based

reward will be paid, if a participant's employment or service relationship ends before the reward payment.

The performance based part of the reward will be paid, subject to meeting other conditions, if the Company's share price exceeds EUR 2.30 at the time of review. A share price of EUR 6.50 at the time of review is required to receive the full performance based reward.

The rewards of the incentive plan will be paid in full in the form of the Company's shares by the end of September in 2023. The Board of Directors determines whether the reward will be Company's new shares or treasury shares. Shares paid as a reward may not be transferred during a one-year commitment period set for the shares with exception to shares gradually released from the transfer restriction. The Board of Directors has the right to resolve that the reward is paid fully or partly in cash.

As a general rule, a participant must hold a minimum of 25 per cent of the shares given on the basis of the plan after payment of taxes, until the participant's shareholding in the Company in total corresponds to the value of the participant's fixed annual gross salary and for as long as the participant's employment or service in a company belonging to the group continues.

The target group of the plan includes Jesse Maula, the Company's CEO, Hans Parvikoski, CFO, and Ingunn Bjoru, Chief Operating Officer, International segment. The rewards to be paid on the basis of the performance period amount up to a maximum of 569,580 the Company's shares.

## Effect on the result of the period and the financial position in 2021

### EFFECT OF SHARE-BASED INCENTIVES ON THE RESULT AND FINANCIAL POSITION

EUR 1,000	2021	2020
Expenses for the financial year, share-based payments	953	169
Value recognized in the balance sheet's retained earnings	1,122	169

### VALUATION PARAMETERS FOR GRANTED INSTRUMENTS

EUR	Incentive plan 2020-2023 investment-based reward	Incentive plan 2020-2023 performance-based reward
Share price at the time of grant	1.55	1.55
Share price at 31 Dec 2021	5.18	5.18
Expected dividends	0	0
Fair value at 31 Dec 2021, EUR 1,000	682	1,505

### INFORMATION ON SHARE-BASED INCENTIVE PLAN

	Incentive plan 2020-2023 investment-based reward	Incentive plan 2020-2023 performance-based reward
Maximum number of shares	132,000	437,580
Initial grant date	15.7.2020	15.7.2020
Vesting date	31.5.2023	31.5.2023
Vesting conditions	Share ownership and employment	Share ownership and employment
Maximum contractual life, years	3.0	3.0
Remaining contractual life, years	1.4	1.4
Number of persons	3	3
Payment method	Shares or cash	Shares or cash

## CHANGES IN 2021

EUR 1,000	Incentive plan 2020-2023 investment- based reward	Incentive plan 2020-2023 performancet- based reward
Outstanding at 1 Jan, 2021	0	0
Granted	0	0
Forfeited	0	0
Exercised, gross	0	0
Outstanding at 31 Dec, 2021	0	0

## 22. FINANCIAL LIABILITIES

BOOK VALUE EUR 1,000	2021	2020
<b>Non-current financial liabilities valued at amortized cost</b>		
Loans from credit institutions	1,566	2,440
Finance lease liabilities + rental properties	1,341	1,876
<b>Total</b>	<b>2,907</b>	<b>4,316</b>

Current financial liabilities valued at amortized cost	2021	2020
Loans from credit institutions	690	904
Factoring	759	1,105
Finance lease liabilities + rental properties	1,340	1,240
<b>Total</b>	<b>2,789</b>	<b>3,249</b>
<b>Total financial liabilities valued at amortized cost</b>	<b>5,696</b>	<b>7,565</b>

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

All loans from credit institutions are denominated in euros.

## 23. TRADE AND OTHER PAYABLES

EUR 1,000	2021	2020
<b>Current</b>		
Accounts payable	1,166	1,174
Advances received	560	609
Other current liabilities	1,898	2,636
Accrued expenses and deferred income	1,973	1,950
<b>Total</b>	<b>5,597</b>	<b>6,369</b>

The fair value of trade payables and other current liabilities corresponds to their book value. Advances received include amounts invoiced for incomplete work.

### SIGNIFICANT ITEMS IN ACCRUED EXPENSES AND DEFERRED INCOME

EUR 1,000	2021	2020
Holiday pay expenses	1,232	1,183
Other accruals and deferred income	741	767
<b>Total</b>	<b>1,973</b>	<b>1,950</b>

## 24. FINANCIAL RISK MANAGEMENT

The Group is exposed to several financial risks in its business. The aim of the Group's risk management is to minimize the adverse impacts of changes in the financial market on the Group's earnings. The key financial risks are currency risk, interest rate risk, liquidity risk, and credit risk. The general principles of the Group's risk management are approved by the Board of Directors and their practical implementation is the responsibility of the Group's finance department. The Group's finance department identifies and assesses the risks and if department identifies and assesses the risks and if necessary, acquires the instruments to shield against the risks.

### CURRENCY RISK

The Group's currency risk mainly consists of currency translation risk in foreign operations. The Group has not hedged this risk. Avidly's long-term financing is in euros and does not have exchange rate risk. The Group has not hedged the currency risk related to equity investments.

Avidly estimates its exchange rate risks at the time of closing the accounts to not be substantial.

## INTEREST RATE RISK

Interest rate variations affect the Group's interest expenses and earnings. The purpose of the Group's interest rate risk management is to reduce the uncertainty related to earnings caused by interest rate variations.

### INTEREST RATE RISK SENSITIVITY ANALYSIS

EUR 1,000	2021	2020
<b>Loans with varying interest rates</b>		
Loans from credit institutions	2 256	3 344
Impact of a change of 1% in the market rate of interest on earnings after tax		
Change + 1 %	23	33
Change -1 %	-23	-33

## LIQUIDITY RISK

Liquidity risk refers to the company's risk of becoming insolvent due to insufficient liquid funds or difficulties in acquiring financing. It is the Group's understanding that it has a sufficient amount of liquid assets to mitigate the liquidity risk.

Shares from the Group companies and corporate mortgages are used as collateral for the Group's loans.

A company restructuring program according to the Restructuring of Enterprises Act was confirmed on 9 July 2014 for Avidly Marketing Oy, a subsidiary of Avidly Plc. Avidly Marketing Oy finalized the restructuring programme in 2020.

## CASHFLOWS BASED ON FINANCIAL LIABILITY AGREEMENTS (INCLUDING FINANCIAL EXPENSES)

EUR 1,000	Carrying amount	2022	2023	2024+	Total
<b>2021</b>					
Loans from credit institutions	2,256	718	941	687	2,346
Financial lease liabilities + rental properties	2,681	1,380	1,096	285	2,761
Factoring	759	770	0	0	770
Checking account limit	0	0	0	0	0
Accounts payable	1,166	1,166	0	0	1,166
<b>Total</b>	<b>6,862</b>	<b>4,034</b>	<b>2,037</b>	<b>973</b>	<b>7,044</b>

## CASHFLOWS BASED ON FINANCIAL LIABILITY AGREEMENTS (INCLUDING FINANCIAL EXPENSES)

EUR 1,000	Carrying amount	2021	2022	2023+	Total
<b>2020</b>					
Loans from credit institutions	3,344	949	949	1,613	3,511
Financial lease liabilities + rental properties	3,116	1,277	1,343	589	3,209
Factoring	1,105	1,121	0	0	1,121
Checking account limit	0	0	0	0	0
Accounts payable	1,174	1,174	0	0	1,174
<b>Total</b>	<b>8,739</b>	<b>4,521</b>	<b>2,292</b>	<b>2,202</b>	<b>9,016</b>

Loans from financial institutions contain standard covenant terms concerning the equity ratio.





## CREDIT RISK AND COUNTERPARTY RISK

The Group's credit risk consists of accounts receivable and prepayments. The Group's most common payment term is 14 days net. Accounts receivable involve no significant credit risk, since the receivables consist of a large number of small receivables. During the accounting period, the Group recognized EUR 44 thousand in credit loss (2020: EUR 73 thousand). The age analysis for accounts receivable is presented in note 18, "Accounts receivable and other receivables".

In order to minimize the counterparty risk related to prepayments in purchasing, the Group aims to work with suppliers that it has known for an extensive period of time.

## CAPITAL STRUCTURE MANAGEMENT

The aim of capital management is to achieve an efficient capital structure that ensures normal prerequisites for business and increases shareholder value in the long term. In order to preserve or alter the capital structure, the Group may, for example, modify the amount of dividends paid to shareholders or adjust the amount or timing of investments. The capital being managed is the equity indicated in the consolidated statement of financial position.

## 25. CONTINGENT LIABILITIES

### GUARANTEES GIVEN ON OWN BEHALF

EUR 1,000	2021	2020
Corporate mortgages	4,600	4,600
<b>Total</b>	<b>4,600</b>	<b>4,600</b>

## 26. RELATED PARTY TRANSACTIONS

The group's related parties include the parent entity and subsidiaries

Company	Domicile	Group ownership interest %	Parent company ownership interest %
Avidly Oyj	Finland		
Avidly Marketing Oy	Finland	100	100
Avidly Inbound Finland Oy	Finland	100	100
Sugar Helsinki Oy	Finland	100	100
Avidly AB	Sweden	100	100
Avidly Sweden AB	Sweden	100	100
Avidly Norway AS	Norway	100	100
Avidly Denmark APS	Denmark	100	100
Netpress GmbH	Germany	100	100

In addition, related parties include parties that are able to exercise control or significant influence over Avidly Plc's in decisions concerning its finances and business operations, such as the major shareholders, board members, chief executive officer, their immediate family, companies under their direction and other parties defined as related parties pursuant to the IAS 24 standard.

Receivables from related parties amount to EUR 148 thousand in total.

## MANAGEMENT BENEFITS, WAGES AND REMUNERATION

EUR 1,000	2021	2020
<b>Wages and other short-term benefits as well as remuneration</b>		
Chief Executive Officer	201	201
Other members of the management team	739	561
Joakim Fagerbakk (Chair of the Board)	48	42
Jari Tuovinen (Vice Chair of the Board until AGM 2021)	11	39
Juha Mikkola (Vice Chair of the Board since AGM 2021)	0	0
Ville Skogberg (Member of the Board))	24	24
Åsa Arvidsson (Member of the Board)	17	0
Lasse Järvinen (Member of the Board)	0	6
<b>Total</b>	<b>1,040</b>	<b>873</b>

## 27. EVENTS AFTER THE REPORTING PERIOD

### REPURCHASE OF OWN SHARES

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

After the repurchases, the company holds a total of 30,123 own shares corresponding to approximately 0.57 per cent of the total number of the company shares.

### DIGITAL 22 ONLINE LIMITED ACQUISITION

Avidly Plc completed the acquisition on January 12, 2022 in which it acquired UK-based inbound marketing specialist and HubSpot Elite Partner, Digital 22 Online Limited. The purchase price for the

shares of Digital 22 Online Limited is EUR 1,225,882 in total. The purchase price was paid with a combination of cash and new Avidly shares. The amount of cash payment is approximately EUR 833,600. The amount paid in Avidly's shares is approximately EUR 392,282, according to which, the sellers of the shares in Digital 22 Online Limited subscribed 79,656 new Avidly shares with the subscription price of 4.9247 per share in a share issue directed to them. The subscription price was recorded in its entirety to the Avidly's reserve for invested unrestricted equity. The number of subscribed shares corresponds to approximately 1.48 per cent of Avidly's shares after registration of the shares. New shares were registered and admitted to trading on the Nasdaq First North Growth Market Finland marketplace together with other shares of the company, on January 31, 2022. After the registration the total amount of Avidly's shares is 5,369,660.

### NEW CHIEF OPERATING OFFICER

Ville Himberg (b. 1976) has been appointed Chief Operating Officer (COO) and a member of the Management Team of martech service provider Avidly Plc as of 1 March 2022.



# PARENT COMPANY FINANCIAL STATEMENTS

## PARENT COMPANY INCOME STATEMENT (FAS)

EUR	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
<b>REVENUE</b>	<b>19,454,264.87</b>	<b>9,314,298.97</b>
Other operating income	80,492.64	106,182.92
Materials and services		
External services	-8,392,851.30	-2,152,741.32
Total materials and services	-8,392,851.30	-2,152,741.32
Employee benefit expenses		
Wages	-6,432,141.78	-3,892,669.80
Other employee expenses		
Pension expenses, defined contribution plan	-1,114,092.05	-597,088.01
Other employee benefits	-198,634.94	-97,924.00
Total employee benefit expenses	-7,744,868.77	-4,587,681.81
Depreciation and amortization	-271,158.35	-174,817.65
Other operating expenses	-3,079,848.76	-2,698,225.72
<b>OPERATING PROFIT</b>	<b>46,030.33</b>	<b>-192,984.61</b>

EUR	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Financial income and expenses		
Other interests and financial income		
From group companies	69,492.00	61,217.00
From others	50,161.64	6,901.14
Interests and other financial expenses		
To others	-178,951.61	-155,114.44
<b>PROFIT BEFORE TAX</b>	<b>-13,267.64</b>	<b>-279,980.91</b>
Group contributions received	381,500.00	0.00
<b>PROFIT FOR THE PERIOD</b>	<b>368,232.36</b>	<b>-279,980.91</b>



## PARENT COMPANY BALANCE SHEET (FAS)

EUR	2021	2020
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
<b>Intangible assets</b>		
Intangible rights	4,067.11	13,090.27
Goodwill	934,514.89	1,144,076.53
Other intangible assets	64,791.61	67,564.41
Total intangible assets	1,003,373.61	1,224,731.21
<b>Tangible assets</b>		
Machinery and equipment	72,722.26	70,845.74
Total tangible assets	72,722.26	70,845.74
<b>Investments</b>		
Shares in group companies	11,007,982.41	8,475,616.73
Participating interests	30,012.50	30,012.50
Total investments	11,037,994.91	8,505,629.23
<b>TOTAL NON-CURRENT ASSETS</b>	<b>12,114,090.78</b>	<b>9,801,206.18</b>

EUR	2021	2020
<b>CURRENT ASSETS</b>		
<b>Inventories</b>		
Work in process	59,044.00	76,043.00
Total inventories	59,044.00	76,043.00
<b>Non-current receivables</b>		
Receivables from group companies	30,000.00	30,000.00
Total non-current receivables	30,000.00	30,000.00
<b>Current receivables</b>		
Accounts receivables	2,434,104.54	1,957,440.52
Receivables from group companies	4,292,116.28	3,959,374.62
Loan receivables	181,669.18	244,111.82
Other receivables	54,552.20	65,051.76
Prepayments and accrued income	330,689.49	225,359.75
Total current receivables	7,293,131.69	6,451,338.47
<b>Cash and cash equivalents</b>	<b>3,007,222.65</b>	<b>4,843,512.45</b>
<b>TOTAL CURRENT ASSETS</b>	<b>10,389,398.34</b>	<b>11,400,893.92</b>
<b>TOTAL ASSETS</b>	<b>22,503,489.12</b>	<b>21,202,100.10</b>



## PARENT COMPANY BALANCE SHEET (FAS)

EUR	2021	2020
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	322,400.00	322,400.00
Invested unrestricted equity fund	12,916,743.38	12,916,743.38
Retained earnings	-377,717.28	-97,736.37
Profit (loss) for the period	368,232.36	-279,980.91
<b>TOTAL EQUITY</b>	<b>13,229,658.46</b>	<b>12,861,426.10</b>
<b>APPROPRIATIONS</b>		
Deferred tax liabilities	25,358.00	-
<b>TOTAL APPROPRIATIONS</b>	<b>25,358.00</b>	<b>-</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Financial liabilities	1,553,570.56	2,232,142.28
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,553,570.56</b>	<b>2,232,142.28</b>
<b>CURRENT LIABILITIES</b>		
Financial liabilities	1,237,495.90	1,544,974.04
Accounts payable	730,728.10	678,441.85
Liabilities to group companies	3,669,869.66	1,408,433.69
Other liabilities	945,149.19	1,412,601.69
Accrued expenses and deferred income	1,111,659.25	1,064,080.45
<b>TOTAL CURRENT LIABILITIES</b>	<b>7,694,902.10</b>	<b>6,108,531.72</b>
<b>TOTAL LIABILITIES</b>	<b>9,248,472.66</b>	<b>8,340,674.00</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>22,503,489.12</b>	<b>21,202,100.10</b>

# NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

## PARENT COMPANY ACCOUNTING PRINCIPLES

Avidly Oyj's financial statements have been compiled in accordance with EAS.

The group consists of parent company Avidly Oyj, Avidly Marketing Oy, Avidly Inbound Finland Oy, Sugar Helsinki, Avidly AB, Avidly Sweden AB, Avidly Denmark APS, Avidly Norway AS and NetPress GmbH.

## NON-CURRENT ASSETS AND CURRENT ASSETS ARE VALUED AND PERIODIZED BASED ON THE FOLLOWING PRINCIPLES AND METHODS:

Fixed assets are valued at acquisition cost deducted by accrued depreciations.

Depreciation according to plan is based on the initial acquisition cost and estimated as follows:

Intangible rights	3 year straight-line depreciation
Goodwill	7 year straight-line depreciation
Other intangible assets	4-5 year straight-line depreciation
Machinery and equipment	25 % residual depreciation

EUR	2021
<b>INTANGIBLE ASSETS</b>	
<b>Intangible rights</b>	
Acquisition costs 1 Jan	13,090.27
Additions/Disposals	0.00
Planned amortizations	-9,023.16
Acquisition costs 31 Dec	4,067.11
<b>Goodwill</b>	
Acquisition costs 1 Jan	1,144,076.53
Additions/Disposals	0.00
Planned amortizations	-209,561.64
Acquisition costs 31 Dec	934,514.89

EUR	2021
<b>Other intangible assets</b>	
Acquisition costs 1 Jan	67,564.41
Additions/Disposals	25,560.00
Planned amortizations	-28,332.80
Acquisition costs 31 Dec	64,791.61
<b>TANGIBLE ASSETS</b>	
<b>Machinery and equipment</b>	
Acquisition costs 1 Jan	19,621.30
Additions/Disposals	14,932.81
Acquisition costs 31 Dec	34,554.11
Planned amortizations	-8,638.53
Acquisition costs 31 Dec	25,915.58
<b>Equipment and other tangible assets</b>	
Acquisition costs 1 Jan	51,224.44
Additions/Disposals	11,184.46
Acquisition costs 31 Dec	62,408.90
Planned amortizations	-15,602.22
Acquisition costs 31 Dec	46,806.68

	2021
Personnel	
Permanent employees	121

## ACQUISITION AND TRANSFER OF TREASURY SHARES AND OWNERSHIP INTERESTS

### Basis for acquisitions made during the accounting period

During the year, there has been no change in the amount of treasury shares.

## NUMBER OF ALL SHARES ACQUIRED AND HELD BY THE COMPANY

The company holds a total of 10,473 own shares.

EUR	2021
<b>AUDITOR'S FEES</b>	
Other operating expenses include the following amount of fees paid to the auditor:	
Audit	17,500.00
<b>Auditor's fees total</b>	<b>17,500.00</b>

EUR	2021
<b>LIABILITIES AND CONTINGENT LIABILITIES</b>	
Loans from financial institutions	2,232,142.28
Pledged accounts receivables	558,924.18
Quarantees given on behalf of subsidiaries	920,000.00
In addition Avidly Oyj has given its subsidiaries Avidly Denmark APS, Avidly Norway AS and Netpress GmbH a parent company quarantee which is valid until financial statements 2022.	
Corporate mortgages	4,000,000.00
Leasing liabilities	787,331.24
<b>Rental liabilities</b>	
Rental liabilities to be paid during the next accounting period	777,592.94
Rental liabilities to be paid later (over 12 months)	558,957.82
<b>Total</b>	<b>1,336,550.76</b>
<b>Rental deposits</b>	<b>53,552.20</b>

EUR	2021
<b>RELATED PARTY LOANS</b>	
Loan receivables	148,443.97
<b>EQUITY</b>	
<b>Equity</b>	
Share capital 1 Jan	322,400.00
Share capital 31 Dec	322,400.00
<b>Unrestricted equity</b>	
Invested unrestricted equity fund 1 Jan	12,916,743.38
Invested unrestricted equity fund 31 Dec	12,916,743.38
Retained earnings 1 Jan	-377,717.28
Profit for the period	368,232.36
Distributable equity 31 Dec	12,907,258.46
<b>Total equity</b>	<b>13,229,658.46</b>

## GROUP COMPANIES

NAME OF THE COMPANY	Domicile	Company share of ownership
Avidly Marketing Oy	Helsinki	100%
Sugar Helsinki Oy	Helsinki	100%
Avidly Inbound Finland Oy	Helsinki	100%
Avidly Sweden AB	Stockholm	100%
Avidly Norway AS	Oslo	100%
Avidly Denmark APS	Aarhus	100%
Avidly AB	Stockholm	100%
NetPress GmbH	Munich	100%

## PROPOSAL OF THE BOARD OF DIRECTORS ON THE DISPOSAL OF THE PROFIT/LOSS FOR THE FINANCIAL YEAR

The Board of Directors of Avidly proposes that no dividend will be paid.

# SIGNATURES TO THE FINANCIAL STATEMENTS



Helsinki March 3, 2022

**Joakim Fagerbakk**  
Chair of the Board

**Juha Mikkola**  
Vice Chair of the Board

**Ville Skogberg**  
Member of the Board

**Åsa Arvidsson**  
Member of the Board

**Jesse Maula**  
CEO



# AUDITOR'S NOTE



Our Auditor's report has been issued today.

Tampere March 3, 2022

**Jari Paloniemi**  
Authorized Public Accountant





# AUDITOR'S REPORT

## TO THE ANNUAL GENERAL MEETING OF AVIDLY OYJ

(Translation of the Finnish original)

### REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

#### OPINION

I have audited the financial statements of Avidly Oyj (business identity code 2018481-2) for the year ended 31 December, 2021. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement and notes.

In my opinion the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the

financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

#### BASIS FOR OPINION

I conducted my audit in accordance with good auditing practice in Finland. My responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to my audit, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE FINANCIAL STATEMENTS

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis

of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

### AUDITOR'S RESPONSIBILITIES IN THE AUDIT OF FINANCIAL STATEMENTS

My objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the



economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## OTHER REPORTING REQUIREMENTS

### OTHER INFORMATION

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements and my auditor's report thereon. I have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to me after that date.

My opinion on the financial statements does not cover the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my

knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, my responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In my opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Tampere March 3, 2022

**JARI PALONIEMI**

Authorized Public Accountant



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## **APPENDIX D – ARTICLES OF ASSOCIATION OF THE COMPANY (UNOFFICIAL ENGLISH TRANSLATION)**

### 1§ Name and registered office

The Company's business name is Avidly Oyj, Avidly Abp in Swedish and Avidly Plc in English. The Company's registered office is in Helsinki.

### 2§ Industry

The Company's line of business is to engage, either by itself or through a subsidiary or its affiliated companies, in marketing communication services, publishing activities, publishing, sales, marketing and distribution, other communications, consulting, entertainment industry activities as well as the related industrial and commercial business. In addition, the Company may buy, sell, lease and hold securities, property and other assets.

### 3§ Book-entry system

The Company's shares belong to a book-entry system. The right to receive funds distributed by the Company and a subscription right when increasing share capital lies only with one

1. who is registered as a shareholder in the share register on the record date;
2. whose right to payment is recorded in the securities account of a shareholder registered in the share register on the record date; or
3. to whose securities account (provided that the share is a nominee share) the share is registered in the record data and whose stockbroker is registered as the holder of the shares in the share register on the record date.

### 4§ Board of Directors

The Company's Board of Directors is composed of at least three and at most nine members. The members of the Board are elected in an Annual General Meeting for a term which ends at the closing of the following Annual General Meeting.

### 5§ CEO

The Company may have a Chief Executive Officer.

### 6§ Signing for the Company

The Company's name is signed by two Board members together or by the CEO and the Chair of the Board, both alone.

### 7§ Auditors

The Company has one auditor and one deputy auditor, both Authorised Public Accountants.

### 8 § Notice of and participation in General Meeting

The notice of the General Meeting must be published on the Company's website and, in other respects, as provided in the Finnish Limited Liability Companies Act with regard to notices of meetings. The Board of Directors may also decide to publish the notice in some other manner.

A shareholder must inform the Company's Board of Directors of their participation in the General Meeting no later than on the date specified by the Board of Directors, which may not be earlier than ten days prior to the General Meeting. Information on an obligation to register will be given in the notice of the meeting.