ENENTO GROUP PLC

HALF YEAR FINANCIAL REPORT

1.1.–30.6.2023

Enento

Building trust in the everyday.

ENENTO GROUP PLC, STOCK EXCHANGE RELEASE 20 JULY 2023 AT 11.00 A.M. EEST

Enento Group's Half Year Financial report 1.1. – 30.6.2023: Net sales impacted by declining Swedish consumer credit volumes, while the demand for new services surged, and adjusted EBITDA margin improved

SUMMARY

April – June 2023 in brief

- Net sales declined 1,2% excluding the impact from the discontinued Tambur service at comparable exchange rates.
- Net sales amounted to EUR 39,7 million (EUR 43,4 million), a decrease of 8,6% (at comparable exchange rates decrease of 3,5%).
- Adjusted EBITDA was EUR 14,5 million (EUR 15,5 million), a decrease of 6,5% (at comparable exchange rates decrease of 2,1%).
- Adjusted EBITDA margin was 36,5% (35,7%), an increase of 0,8 pp (at comparable exchange rates increase of 0,5 pp).
- Adjusted EBIT was EUR 11,8 million (EUR 12,8 million), a decrease of 7,8% (at comparable exchange rates decrease of 3,6%).
- Operating profit (EBIT) was EUR 8,7 million (EUR 9,7 million).
- The efficiency program targeting at least 8-million-euro efficiencies by the end of 2024, has progressed according to the plan. The measures implemented by the end of the second quarter are estimated to have an annual run-rate impact on the profitability of around EUR 4,8 million.
- Business area Digital Process was integrated with business area Business Insight on 15th June 2023.
- In Half Year Financial Report 2023, Enento Group has revised its presentation of the interim reports. The changes were made in order to provide material and relevant information to our investors and other stakeholders in a more concise format.
- Enento announced a new strategy for the period 2023-2026 and updated long-term financial targets.

January – June 2023 in brief

- Net sales growth excluding the impact from the discontinued Tambur service was 0,5% at comparable exchange rates.
- Net sales amounted to EUR 79,6 million (EUR 84,1 million), a decrease of 5,3% (at comparable exchange rates decrease of 0,7%).
- Adjusted EBITDA was EUR 29,2 million (EUR 29,0 million), an increase of 0,5% (at comparable exchange rates increase of 4,7%).
- Adjusted EBITDA margin was 36,7% (34,5%), an increase of 2,1 pp (at comparable exchange rates an increase of 1,9 pp).
- Adjusted EBIT was EUR 23,8 million (EUR 22,3 million), an increase of 6,8% (at comparable exchange rates increase of 10,9%).
- Operating profit (EBIT) was EUR 15,6 million (EUR 15,8 million).

Adjusted EBITDA excludes items affecting comparability. In April–June 2023, the items affecting comparability amounted to EUR -0,7 million (EUR -0,1 million) and in January–June 2023 to EUR -3,3 million (EUR -0,4 million), including restructuring and other efficiency program-related costs.

Adjusted EBIT excludes items affecting comparability and amortization from fair value adjustments related to acquisitions. In April-June 2023, the amortization from fair value adjustments amounted to EUR -2,4 million (EUR -3,1 million) and in January-June 2023 to EUR -4,8 million (EUR -6,1 million).

KEY FIGURES					
EUR million	**1.4. – 30.6.2023**	**1.4. – 30.6.2022**	**1.1. – 30.6.2023**	**1.1. – 30.6.2022**	**1.1. – 31.12.2022**
Net sales	39,7	43,4	79,6	84,1	167,5
Net sales growth/decline, % (comparable fx rates)	-3,5	4,8	-0,7	4,6	5,1
Net sales growth/decline, % (reported fx rates)	-8,6	3,1	-5,3	2,8	2,5
Operating profit (EBIT)	8,7	9,7	15,6	15,8	25,8
EBIT margin, %	21,9	22,3	19,6	18,7	15,4
Adjusted EBITDA	14,5	15,5	29,2	29,0	61,2
Adjusted EBITDA margin, %	36,5	35,7	36,7	34,5	36,6
Adjusted operating profit (EBIT)	11,8	12,8	23,8	22,3	49,1
Adjusted EBIT margin, %	29,8	29,5	29,9	26,5	29,3
New services of net sales, %	11,1	5,1	9,7	5,3	4,6
Free cash flow	5,9	6,4	16,0	13,5	33,9
Net debt to adjusted EBITDA, x	2,4	2,6	2,4	2,6	2,2
Earnings per share, EUR	0,24	0,29	0,41	0,47	0,72
Comparable earnings per share, EUR[1]	0,31	0,40	0,57	0,68	1,11

[1] Comparable earnings per share does not contain amortization from fair value adjustments related to acquisitions or their tax impact.

FUTURE OUTLOOK (UNCHANGED)

The general macroeconomic environment remains uncertain and unpredictable and is expected to impact negatively on the growth outlook of the Group. The weakening demand for sales and marketing and direct-to-consumer services is expected to negatively impact the net sales development. Enento expects increased demand for risk management and compliance services, which together with the introduction of new services will offset the decline. The discontinuance of the Swedish housing transaction service Tambur from second quarter onwards is estimated to have a negative impact up to -1.5% of the Group's net sales at comparable exchange rates.

Enento expects cost inflation to increasingly burden the profitability level of the Group and is mitigating the impact by the introduction of the efficiency program.

GUIDANCE (UNCHANGED)

Net Sales: Enento Group expects net sales in 2023 to grow between 0% - 5% excluding the impact from the discontinued Tambur service at comparable exchange rates as compared to 2022.

Adjusted EBITDA: Enento Group expects its adjusted EBITDA margin to be in the range of 36,0% - 37,0%.

Comparable exchange rates mean that the effects of any changes in currencies are eliminated by calculating the figures for the previous period using the current period's exchange rates.

JEANETTE JÄGER, CEO

I am pleased to provide the review for the second quarter of the year, as we reflect on the progress made and the challenges encountered during this period. While the economic environment has been more challenging compared to the first quarter of the year, Enento has shown resilience both in terms of business performance, but also in advancing our strategic initiatives. Additionally, we have a new strategy for the period 2023-2026, accompanied by updated long-term financial targets.

Despite the headwinds especially in the Swedish market, our organic net sales decreased only by 1,2% at comparable exchange rates compared to the same period last year. Consumer Insight experienced challenges during the quarter in both markets, which resulted in declining net sales of 7,7% at comparable exchange rates. We observed a continuing slowdown in consumer lending volumes, particularly in Sweden, as higher interest rates and inflation influenced consumer behavior and mortgage volumes declined sharply in comparison to 2022. In Finland, the development was more stable, and the direct-to-consumer services continued growth trajectory.

The positive driver for the net sales development was Business Insight, with Enterprise Solutions and Premium Solutions continuing to perform on a good level and contributing to an increase in net sales of 4,2% at comparable exchange rates, excluding the discontinued Tambur business in Sweden. In mid-June, we announced the integration of Digital Processes and Business Insight and now with the new structure, Digital Processes net sales is reported in the Business Insight's results. Compliance services in Finland continued to grow rapidly despite the high comparison figures. The share of new services KPI continued to develop as we expected and reached a level of 11,1%. The successful renewal of the certificate offering in Finland and the implementation of the daily credit register in Sweden by several new customers continued to contribute to this improvement. Additionally, we successfully launched new services in our business information offering. The highlight, given our growth strategy and the selected initiatives, was launching the first service in our compliance offering in Sweden, the PEP and Sanction List Screening Service.

Despite the moderate development in net sales, we maintained our focus on profitability improvement actions and the adjusted EBITDA margin increased to 36,5% and the adjusted EBITDA declined slightly compared to the year before at comparable exchange rates. Our commitment to optimizing operations and seeking efficiencies while delivering high-quality services to our customers has yielded positive results. Furthermore, we continue to generate strong cash flow, and operate with a strong balance sheet, enabling us to invest in growth initiatives and modernization.

I am delighted to announce Enento's new strategy for the period 2023-2026. Our firm commitment is to drive our business forward and generate sustainable value for our shareholders. The updated strategy aligns seamlessly with identified market trends and customer demands, placing emphasis on developing selected new offerings, further penetration of existing customer base and expanding into untapped customer verticals. With a keen focus on automation and digitalization efforts, we are driving enhanced customer experience and streamlining internal operations and processes. We will intensify our focus on enabling seamless customer journey with 'Easy to sell, Easy to buy and Easy to use' principle. The pillars of Enento's future success lie in our proficient and dedicated people, our culture of innovation with a persistent focus on quality, successful execution of the technology transformation journey and our enduring customer relationships. While market growth, price adjustments, and expanded market penetration contribute to our growth, we anticipate a significant portion of it stemming from new services. We plan to continue to develop innovative services that cater to evolving customer needs and drive growth in areas such as ESG, compliance, and master data. By fostering innovation and making targeted investments in growth areas, we aim to accelerate our growth trajectory and increase the proportion of net sales from new services to around 10% by the end of 2026. With this new strategy, Enento's long-term financial targets were also updated. Those targets represent our perspective on creating long-term value, guided by our strategic choices. Despite the prevailing uncertain macroeconomic environment, we remain confident in our ability to achieve profitable organic growth of 5-10% on average on an annual basis and for our adjusted EBITDA margin to reach around 40% level by 2026.

In Sweden, the government has published an investigation report on different measures that could potentially impact over-indebtedness in the Swedish society. One of the proposals is a license-based credit register which, from our perspective is not the solution for how to impact fast and efficiently the areas which are causing most of the issues. Sweden already possesses one of the most comprehensive and accurate credit registers globally, providing high-quality credit reports on individuals. The legislative process ahead is expected to take years, and the outcome remains uncertain. We are closely monitoring the situation and preparing for potential scenarios. Enento is taking measures to ensure we are well positioned to navigate any potential changes that may arise in the coming years. Enento has always prioritized engaging with relevant stakeholders, including regulatory authorities, to gain a clearer understanding of the potential impact and actively participate in shaping the regulatory environment.

As we look forward, we believe in the resilience of our business model and the strength of our offerings. We have an updated strategy that will guide our priorities and path forward. We remain confident in our ability to adapt and overcome potential challenges, while delivering sustainable growth and value to our shareholders, customers, and employees.

NET SALES

Business area Digital Processes was integrated with business area Business Insight on 15th June 2023. The main reason for the change is to work even closer together with the total Nordic business information offering in Enento. The change means that as of 15th June, there are no longer three business areas within Enento but instead there are two business areas called Consumer Insight and Business Insight.

The previously reported net sales information by business area has been restated by combining the net sales of Digital Processes with the sales of Business Insight. The restated quarterly information is disclosed in Note 2.2 of the Half Year Financial report 2023.

NET SALES BY BUSINESS AREA

EUR thousand	1.4. – 30.6.2023	1.4. – 30.6.2022	Comparable change, %[1]	1.1. – 30.6.2023	1.1. – 30.6.2022	Comparable change, %[1]	1.1. – 31.12.2022
Business Insight	22 826	24 016	-0,2	45 185	46 635	1,1	92 100
Consumer Insight	16 828	19 393	-7,7	34 439	37 444	-2,9	75 429
Total	**39 654**	**43 409**	**-3,5**	**79 624**	**84 078**	**-0,7**	**167 529**

[1] Change at comparable foreign exchange rates

NET SALES BY COUNTRY[1]

EUR thousand	1.4. – 30.6.2023	1.4. – 30.6.2022	1.1. – 30.6.2023	1.1. – 30.6.2022	1.1. – 31.12.2022
Finland	18 445	17 859	35 854	34 641	68 952
Sweden	18 962	23 170	39 105	44 880	89 161
Norway	2 006	2 226	4 176	4 262	8 728
Denmark	241	155	489	296	688
Total	**39 654**	**43 409**	**79 624**	**84 078**	**167 529**

[1] Net sales based on the vendor company country.

April – June

Enento Group´s sales declined 1,2% excluding the impact from the discontinued Tambur service at comparable exchange rates. Net sales in the second quarter amounted to EUR 39,7 million (EUR 43,4 million), representing a year-on-year decrease of 8,6% at reported exchange rates and a decrease of 3,5% at comparable exchange rates. Net sales from new services amounted to EUR 4,4 million (EUR 2,2 million), representing 11,1 % (5,1 %) of the total net sales for the second quarter.

Positive net sales development continued in Business Insight, excluding the discontinued Tambur business impact. The growth was primarily driven by the solid performance of Enterprise and Premium offering, particularly related to high demand in financial risk management services and certificates. Furthermore, strong demand for Compliance services continued even against high comparisons. On the other hand, real estate net sales was negatively impacted by continuing weak housing market situation both in Finland and Sweden. In Consumer Insight, the weakening trend in consumer lending volumes and macroeconomy resulted in negative net sales development. There was one business day less compared to the previous year in both Finland and Sweden.

The net sales of the Business Insight business area increased by 4,2% at comparable exchange rates when excluding discontinued Tambur services and amounted to EUR 22,8 million (EUR 24,0 million) in the second quarter. The net sales decreased by 5,0% at reported exchange rates and decreased by 0,2% at comparable exchange rates. In Enterprise positive trend and demand in risk management services, stemming from increased economic uncertainty, but also in sales and marketing continued in Finland. Premium services' positive development was driven by certificate business for SMEs in Finland and Sweden. The positive development in the second quarter in Finland can partially be explained by the delayed product deliveries shifting from the first quarter. Compliance services continued positive development in the second quarter. Especially the demand for PEP and sanction services grew rapidly, despite of the high comparisons. The net sales from Freemium services increased significantly in Norway and Denmark following the continuing high demand and successful sales efforts. The weak housing market continued negatively impacting the real estate services in Finland and Sweden. Business Insight has successfully launched several new and improved services during the second quarter, that will generate growth opportunities in new customer verticals and segments going forward. These include the PEP & Sanction List Screening Service in Sweden, and Sanction List and Batch Files in Finland. Also, previously launched renewed and improved certificates in Finland had positive development, which enhanced new service sales. The Compliance services will be enhanced with the launch of a more comprehensive monitoring service in Finland during the second half of the year.

The net sales of the Consumer Insight business area amounted to EUR 16,8 million (EUR 19,4 million) in the second quarter. Compared with the corresponding quarter of the previous year, the net sales of the business area decreased by 13,2% at reported exchange rates and decreased by 7,7% at comparable exchange rates. Consumer credit information services especially in Sweden, but also in Finland is facing decreasing demand due to lower levels of consumer lending and a weakening macro-economic situation. Net sales of services sold for sales and marketing purposes in Finland is negatively affected by lower market demand, while direct-to-consumer services in Finland show significant growth compared to the previous year. However, the market situation for direct-to-consumer services in Sweden remains challenging. In the Swedish market, the business area continues its expansion to e-commerce and short-term loan verticals with credit information services offering, and the Swedish credit register now covers the full lending market, with more than half of the customers transitioning from legacy solutions to the daily register.

January – June

Enento Group´s sales growth excluding the impact from the discontinued Tambur service was 0,5% at comparable exchange rates. Net sales in the review period amounted to EUR 79,6 million (EUR 84,1 million), representing a year-on-year decrease of 5,3% at reported exchange rates and a decrease of 0,7% at comparable exchange rates. Net sales from new services amounted to EUR 7,7 million (EUR 4,4 million), representing 9,7 % (5,3 %) of the total net sales for the first half.

The net sales of the Business Insight business area increased by 3,3% at comparable exchange rates when excluding discontinued Tambur services and amounted to EUR 45,2 million (EUR 46,6 million) in the first half. Compared with the corresponding half of the previous year, the net sales of the business area decreased by 3,1% at reported exchange rates and increased by 1,1% at comparable exchange rates. In the first half of the year, all of Business Insight's business lines delivered solid growth, except for the real estate business, which was affected by weak housing market development. Enterprise Solutions continued to show positive development, although the growth pace slowed down in the second quarter. Net sales from Premium services for SMEs exhibited strong progress in Finland and Norway, although the first quarter was impacted by product delays. In Sweden, the demand for services targeting SMEs has been negatively affected by economic uncertainty. Freemium generated significant growth in Norway and Denmark, driven by the sustained high demand and successful sales efforts.

The net sales of the Consumer Insight business area amounted to EUR 34,4 million (EUR 37,4 million) in the first half. Compared with the corresponding period of the previous year, the net sales of the business area decreased by 8,0% at reported exchange rates and by 2,9% at comparable exchange rates. Consumer credit information services in Finland and Sweden had a decent start to the year with moderate growth in Q1. However, in Q2, there was a decrease in demand for these services due to lower consumer lending volumes and a weakening macro-economic situation impacting consumer behavior, especially in Sweden. The net sales development for sales and marketing purposes in Finland continued to be negatively affected by lower market demand. Direct-to-consumer services in Finland saw significant growth compared to the previous year. The market situation in Sweden remains challenging.

FINANCIAL RESULTS

April – June

Second quarter adjusted EBITDA excluding items affecting comparability was EUR 14,5 million (EUR 15,5 million). Adjusted EBITDA decreased by EUR 1,0 million and by 6,5% at reported exchange rates and decreased by EUR 0,3 million and by 2,1% at comparable exchange rates. Adjusted EBITDA margin was 36,5% (35,7%) and increased by 0,8 percentage points at reported exchange rates and by 0,5 percentage points at comparable exchange rates. Adjusted EBITDA development compared to the prior year was impacted negatively by declining revenue while the negative impact was partly offset through profitability improvement actions taken.

Enento Group's operating profit (EBIT) for the second quarter amounted to EUR 8,7 million (EUR 9,7 million). Operating profit included amortization from fair value adjustments of EUR -2,4 million (EUR -3,1 million) related to acquisitions and EUR -0,7 million (EUR -0,1 million) items affecting comparability mainly arising from restructuring and other efficiency program related costs.

Adjusted operating profit (EBIT) excluding amortization from fair value adjustments related to acquisitions and items affecting comparability decreased year-on-year by EUR 1,0 million in the second quarter to EUR 11,8 million (EUR 12,8 million). Compared with the reference period, adjusted operating profit (EBIT) for the second quarter decreased by 7,8% at reported exchange rates and decreased by 3,6% at comparable exchange rates. Adjusted EBIT margin was 29,8% (29,5%) and increased by 0,3 percentage points.

The decline in profit for the period compared to the previous year was impacted by declining revenue and also by the increased loan interest expenses.

INCOME STATEMENT WITH ADJUSTED EBITDA AND ADJUSTED EBIT					
EUR thousand	**1.4. – 30.6.2023**	**1.4. – 30.6.2022**	**1.1. – 30.6.2023**	**1.1. – 30.6.2022**	**1.1. – 31.12.2022**
Net sales	**39 654**	**43 409**	**79 624**	**84 078**	**167 529**
Other operating income	32	81	107	215	412
Materials and services	-6 874	-7 331	-13 499	-14 149	-27 685
Personnel expenses	-9 367	-10 219	-19 732	-20 903	-40 455
Work performed by the entity and capitalized	709	1 161	1 761	2 336	4 527
Total personnel expenses	*-8 658*	*-9 057*	*-17 972*	*-18 567*	*-35 928*
Other operating expenses	-9 663	-11 603	-19 069	-22 539	-43 088
Adjusted EBITDA	**14 491**	**15 499**	**29 192**	**29 037**	**61 240**
Depreciation and amortization	-2 679	-2 688	-5 412	-6 770	-17 962
Adjusted EBIT	**11 811**	**12 812**	**23 780**	**22 268**	**49 126**
Items affecting comparability	-745	-75	-3 337	-391	-11 529
Amortization from fair value adjustments related to acquisitions	-2 387	-3 062	-4 832	-6 127	-11 833
Operating profit	**8 679**	**9 673**	**15 610**	**15 751**	**25 764**
Financial income and expenses and share of results of associated companies	-1 580	-741	-3 171	-1 413	-3 654
Profit before income taxes	**7 099**	**8 933**	**12 439**	**14 338**	**22 110**
Income tax expense	-1 456	-1 851	-2 531	-2 940	-4 754
Profit for the period	**5 644**	**7 081**	**9 908**	**11 397**	**17 355**

January – June

Enento Group´s Adjusted EBITDA excluding items affecting comparability was EUR 29,2 million (EUR 29,0 million). Adjusted EBITDA increased by EUR 0,2 million and by 0,5% at reported exchange rates and by EUR 1,3 million and 4,7% at comparable exchange rates. Adjusted EBITDA margin was 36,7% (34,5%) and increased by 2,1 percentage points at reported exchange rates and by 1,9 percentage points at comparable exchange rates.

Enento Group's operating profit (EBIT) for the first half year amounted to EUR 15,6 million (EUR 15,8 million). Operating profit included amortization from fair value adjustments of EUR -4,8 million (EUR -6,1 million) related to acquisitions and EUR -3,3 million (EUR -0,4 million) items affecting comparability.

Adjusted operating profit (EBIT) for the review period, excluding amortization from fair value adjustments related to acquisitions and items affecting comparability increased year-on-year by EUR 1,5 million to EUR 23,8 million (EUR 22,3 million). Compared with the reference period, adjusted operating profit (EBIT) for the review period increased by 6,8% at reported exchange rates and 10,9% at comparable exchange rates. Adjusted EBIT margin was 29,9% (26,5%) and increased by 3,4 percentage points.

CASH FLOW

Free cash flow in the review period amounted to EUR 16,0 million (EUR 13,5 million), representing an increase of 18,5%. Operating cash flow before change in working capital declined compared to the corresponding period in the previous year mainly due to the negative impact of items affecting comparability, that was partially offset by the positive impact of Adjusted EBITDA. The impact of items affecting comparability in the cash flow amounted to EUR -2,0 million (EUR -0,2 million). The change in working capital was EUR 1,9 million (EUR -2,8 million) in cash flow. The positive development was mainly due to the timing of accounts receivable payments.

KEY CASH FLOW RATIOS					
EUR million	1.4. – 30.6.2023	1.4. – 30.6.2022	1.1. – 30.6.2023	1.1. – 30.6.2022	1.1. – 31.12.2022
Free cash flow	5,9	6,4	16,0	13,5	33,9
Cash conversion, % [1]	42,7	41,5	61,8	47,1	56,0

[1] The cash conversion, % 1.1.-31.12.2022 does not include the impact of write-downs made to development investments in December 2022 of EUR 10,9 million.

CAPITAL EXPENDITURE

Capital expenditure in the review period was EUR 6,8 million (EUR 6,8 million). The majority of Enento Group's capital expenditure is related to the development of new services, service platform and IT infrastructure. Other capital expenditure mainly comprises purchases of company cars and office equipment. Capital expenditure on intangible assets was EUR 5,3 million (EUR 6,7 million) and capital expenditure on property, plant and equipment was EUR 1,4 million (EUR 0,1 million), including an investment in storage system.

The product development activities of Enento Group involve development of the product and service offering.

STATEMENT OF FINANCIAL POSITION

NET DEBT			
EUR thousand	30.6.2023	30.6.2022	31.12.2022
Cash and cash equivalents	**5 274**	**10 134**	**20 785**
Non-current loans from financial institutions	144 600	157 467	147 856
Non-current lease liabilities	6 340	4 019	3 331
Total non-current financial liabilities	**150 940**	**161 485**	**151 187**
Current lease liabilities	2 074	3 491	1 411
Total current financial liabilities	**2 074**	**3 491**	**1 411**
Total financial liabilities	**153 014**	**164 976**	**152 598**
Net debt	**147 741**	**153 381**	**131 814**

Of the loans from financial institutions, EUR 89,3 million (EUR 95,8 million) were EUR-denominated and EUR 55,3 million (EUR 61,6 million) were SEK-denominated on 30 June 2023.

Enento Group Plc's unsecured financing consists of a term loan of EUR 150 million and a revolving credit facility of EUR 30 million. The Company took out the term loan partly in EUR and partly in SEK in accordance with the terms of the loan agreement. The loans mature in September 2025. The loan agreement includes two one-year options for extension of the loan period. At the end of the review period, the Company had used EUR 0 (EUR 0) of its credit facility. In addition, a multi-currency cash pool arrangement has been implemented. The EUR 15 million overdraft had not been utilized on 30 June 2023.

The loans include a financial covenant reviewed on a quarterly basis, which is Net debt to EBITDA calculated in accordance with the financing agreement. The ratio of the Group's net debt, as defined in the financing agreement, to EBITDA adjusted according to the terms of the financing agreement was 2,5 (2,7) on 30 June 2023. The covenant limit in accordance with the financing agreement was 3,5 (3,5) on 30 June 2023.

In addition to financial covenants, the financing agreement was linked on 9th March 2023 with sustainability criteria. The margin decreases or increases depending on how successful Enento is reaching the sustainability targets defined in the agreement. The sustainability criteria are reviewed annually at the end of each financial year.

Provisions include restructuring provisions of 1,3 million (EUR 0,0 million) and other provisions of EUR 0,2 million (EUR 0,0 million).

KEY BALANCE SHEET RATIOS					
EUR million	1.4. – 30.6.2023	1.4. – 30.6.2022	1.1. – 30.6.2023	1.1. – 30.6.2022	1.1. – 31.12.2022
Balance sheet total	466,1	514,3	466,1	514,3	499,1
Net debt	147,7	153,4	147,7	153,4	131,8
Net debt to adjusted EBITDA, x	2,4	2,6	2,4	2,6	2,2
Return on equity, %	8,4	9,6	7,1	7,5	5,7
Return on capital employed, %	8,3	8,3	7,3	6,6	5,4
Gearing, %	55,9	52,2	55,9	52,2	44,7
Equity ratio, %	58,0	58,5	58,0	58,5	60,3
Gross investments	2,2	3,3	6,8	6,8	12,6

PERSONNEL

During the review period, the personnel expenses of the Group amounted to EUR 19,7 million (EUR 20,9 million) and included an accrued cost of EUR 198 thousand (EUR 132 thousand) from the management's long-term incentive plan. More details on the management's long-term incentive plan are provided in section 2.4. Transactions with related parties in the notes to the Half Year Financial Report.

Key figures describing the Group's personnel:

PERSONNEL					
	1.4. – 30.6.2023	1.4. – 30.6.2022	1.1. – 1.6.2023	1.1. – 1.6.2022	1.1. – 31.12.2022
Average number of personnel	393	449	408	451	447
Full time	379	426	395	429	428
Part-time and temporary	14[1]	23	13	22	19
Geographical distribution					
Finland	170	182	173	182	182
Sweden	177	216	188	219	217
Norway	40	44	41	44	42
Denmark	6	7	6	6	6
Wages and salaries for the period (EUR million)	6,9	7,6	14,6	15,5	29,7

[1] Average number of part-time and temporary personnel number is the number of part-time and temporary personnel. Presented as full-time employee equivalents, the average number of part-time and temporary personnel would have been 7 in 1.4.-30.6.2023 and 6 in 1.1.-30.6.2023.

OTHER EVENTS DURING THE REVIEW PERIOD

Enento Group noted the movement in the company's share price

On 29 June 2023, the Board of Directors of Enento Group Plc noted the recent movement in the Company's share price as well as the recent media reports about the performance of Enento Group and the recently published banks' research reports about the level of the Enento Group share price in relation to its performance and speculations about Enento Group being a potential takeover target. The Board concluded that, from time to time, Enento receives proposals regarding transactions concerning the company, and the Board of Directors considers and evaluates different alternatives carefully, with a view to safeguarding the interests of Enento Group and its shareholders.

Changes in management and organizational structure

On 16 January 2023, Enento Group Plc's Board of Directors appointed Mikko Karemo as the Deputy CEO of the Group. He assumed the position of Deputy CEO while maintaining his position as Director, Sales and Customers and member of the Executive Management Team and continues to report to CEO Jeanette Jäger.

On 17 May 2023, Enento Group Plc's Board of Directors appointed Sari Ek-Petroff as the Director of HR and member of the Executive Management Team. Ek-Petroff acted as the interim Director of HR as of 1 April 2023 and started officially in the permanent role on 1 June 2023.

On 13 June 2023, Director of Digital Processes business area and member of the Executive Management Team Heikki Ylipekkala left his position. Simultaneously, the Digital Processes business area was integrated into the Business Insight business area. As a result, starting from 15 June 2023, Enento Group operates with two distinct business areas: Business Insight and Consumer Insight.

On 22 June 2023, Chief Marketing & Customer Officer and member of the Executive Management Team, Victoria Preger, announced her resignation. Preger will leave the company by the end of September 2023.

Enento launched and completed a share buyback program

The Board of Directors of Enento Group Plc decided to launch a share buyback program on 24 April 2023. The purpose of the share buyback program was to optimize Enento's capital structure through reduction of capital. The maximum number of shares to be repurchased under the program was 240 000, representing approximately 1% of the company's total number of shares and votes. The program commenced on 27 April 2023, and it was completed on 30 June 2023. The company repurchased 240,000 shares for an average price of EUR 18.9942 per share. The shares will be cancelled.

Annual General Meeting 2023

The Annual General Meeting held on 28 March 2023 approved the Financial Statements and discharged the members of the Board of Directors and the company's CEO from liability for the financial year 2022 and resolved to approve the Remuneration report for governing bodies.

The Annual General Meeting resolved that the Board of Directors will consist of six members: Erik Forsberg, Patrick Lapveteläinen, Martin Johansson, Tiina Kuusisto and Minna Parhiala were re-elected as members of the Board of Directors. Nora Kerppola was elected as a new member. The Annual General Meeting resolved that the Chairperson of the Board of Directors be remunerated EUR 54,000 annually and that the members of the Board of Directors be remunerated EUR 38,500 annually. An attendance fee of EUR 500 shall be paid per the Board of Directors meeting. For attending the Board Committee meetings, the Chairpersons of the Committees will be remunerated EUR 500 per meeting and the Committee members shall be remunerated EUR 400 per meeting. The members of the Shareholders' Nomination Board will not be remunerated. Reasonable travel expenses for attending the meetings will be reimbursed.

PricewaterhouseCoopers Oy, Authorized Public Accountants firm, was re-elected as the company's auditor. PricewaterhouseCoopers Oy notified the company that Authorized Public Accountant Martin Grandell would be the auditor-in-charge. The remuneration of the auditor will be paid according to the reasonable invoice.

The Board of Directors was authorized to resolve on one or more issuances of shares, which contain the right to issue new shares in the company or to transfer the company's treasury shares. The authorization covers up to a total of 1,500,000 shares. The Board of Directors was also authorized to resolve on a directed issuance of shares in the company. The authorization is proposed to be used for material arrangements from the company's point of view, such as financing or carrying out business arrangements or investments or for other such purposes determined by the Board of Directors in which case a weighty financial reason for issuing shares and for a possible directed issuance of shares. The Board of Directors was authorized to resolve on all other terms and conditions of the issuance of shares, including the payment period, grounds for the determination of the subscription price and subscription price or issuance of shares without consideration or that the subscription price may be paid besides in cash also by other assets either partially or entirely.

The Board of Directors was authorized to decide on the repurchase of a maximum of 1,500,000 of the company's own shares, in one or several instalments. The shares would be repurchased using the company's invested unrestricted shareholders' equity, and thus, the repurchases will reduce funds available for distribution. The shares could be repurchased, for example, for developing the Company's capital structure, for financing or carrying out potential corporate acquisitions or other business arrangements, to be used as a part of the Company's remuneration or incentive plan or to be otherwise transferred further, retained by the Company as treasury shares, or cancelled. In accordance with the resolution of the Board of Directors, the shares could also be repurchased otherwise than in proportion to the existing shareholdings of the company as directed repurchases at the market price of the shares quoted on the trading venues where the company's shares are traded or at the price otherwise established on the market at the time of the repurchase. The Board of Directors shall resolve on all other matters related to the repurchase of the Company's own shares, including on how shares will be repurchased.

The authorizations of issuances of shares and repurchasing of shares are effective for 18 months from the close of the Annual General Meeting, i.e. until 28 September 2024. The authorizations will revoke the similar authorizations granted to the Board of Directors by the Annual General Meeting on 28 March 2022. The authorization of issuances of shares has not been used as of 20 July 2023. The Board decided to launch a share buyback program of maximum 240,000 shares on 24 April 2023, which commenced on 27 April 2023 and completed on 30 June 2023.

Distribution of funds

The Annual General Meeting approved the Board of Directors' proposal to distribute funds of EUR 1,00 per share as an equity repayment from the reserve for invested unrestricted shareholders' equity of the company. The equity repayment, totaling EUR 24,0 million, was made on 11 April 2023.

Enento Group announced an 8-million-euro annualized efficiency program, write-downs of platform development investments and confirmed guidance for 2022, long-term financial targets

Enento Group announced an 8-million-euro annualized efficiency program, write-downs of platform development investments and confirmed guidance for 2022 and long-term financial targets on 26 January 2023.

The program aims for efficiencies of at least EUR 8 million in total during 2023-2024. Full amount of the estimated benefits will be realized in free cash flow from 2025 onwards. More than half of the EUR 8 million benefits will result as permanent improvement in the adjusted EBITDA, whereas the remaining cash flow benefits materialize as reduced capitalized expenditure and facility costs. The largest efficiency measures relate to reduction of number of employees and improved IT efficiency and decommissioning of low-profitability products and services.

As part of the program, Enento started change negotiations in Finland, Sweden, and Norway in accordance with the respective local legislations. The aim of the negotiations was to permanently adjust the company's cost structure and number of personnel to meet the demand of the changed market situation. The negotiations concerned all employees in the respective countries and the estimated need for permanent personnel reductions was approximately 40 people. Enento announced on 15 March 2023 that the change negotiations have been completed and as a result of the negotiations, the total number of reduced employees was 40.

Enento decided to write-down partially the platform development investments, resulting in a one-time negative impact of approximately EUR 10 million on the company's operating profit of 2022. The write-down impacted the last quarter of 2022 and had no effect on cash flow, adjusted operating profit (adjusted EBIT) or adjusted EBITDA.

Enento will communicate on the progress of the efficiency program on a quarterly basis as part of its regular financial reporting. The restructuring and other direct costs connected to the program will be treated as items affecting comparability. Investments that meet capitalization criteria will be treated as normal investments.

EVENTS AFTER THE REVIEW PERIOD

Enento updated its strategy and long-term financial targets

The Board of Directors approved the updated strategy for the period 2023-2026 and confirmed the Company's long-term financial targets on 20 July 2023. The previous strategy, initially published on 8 May 2020 for the period 2020-2023, underwent its latest annual review in September 2022.

In the updated strategy, Enento is addressing the highly compelling market trends, such as tightening regulation and increased focus on reputational risks, presenting opportunities for Enento to develop new services and enhance current offerings. Enento's core operations revolve around credit information services utilizing Enento's leading positions in Finland and Sweden with relatively stable growth prospects, while new growth opportunities lie in other service and product areas. Prioritized growth areas include ESG, compliance, and master data services, with a focus on new services through development and innovation as well as continuously enhancing the existing offerings. The updated strategy focuses on execution, consistent growth, and enhanced profitability, with scalable growth and margin expansion as key objectives. The strategy emphasizes market penetration in Finland and Sweden, exploring new customer verticals, and strengthening the position both in the small and medium-sized enterprises and large corporations segments, as well as optimizing the buying and selling experience resulting in improved customer experience.

Enento's long-term financial targets represent its perspective on creating long-term value, guided by strategic choices. Despite the prevailing uncertain macroeconomic environment, Enento remains confident in its ability to achieve consistent and sustainable growth in terms of both net sales and profitability throughout the strategy period. While market growth, price adjustments, and expanded market penetration contribute to growth, it anticipates a significant portion of it stemming from new services. The financial targets for the strategy period are the following:

- An annual average net sales growth of 5-10% for the period 2024-2026
- Adjusted EBITDA margin around 40% in 2026
- Net debt to adjusted EBITDA ratio below 3x
- Share of new services from net sales around 10% in 2026

Additionally, Enento aims to be carbon neutral by the end of 2023 and have net zero emissions by the end of 2030.

SHARES AND SHAREHOLDERS

On 30 June 2023, the total number of shares was 24 034 856 (24 034 856), and the share capital of the company amounted to EUR 80 000 (EUR 80 000).

SHARES IN ENENTO GROUP´S POSSESSION	
	1.1.-30.6.2023
Shares in Enento´s possession at the beginning of the period	0
Change in own shares during the period	240,000
Shares in Enento´s possession at the end of the period	**240,000**

At the end of June 2023, the company had 240,000 shares in its possession. The shares in the company´s possession represent 1,00% of the total number of shares. This corresponds to 1,00% of the total voting rights.

According to Euroclear Finland Oy, the company had 6 244 (4 860) shareholders on 30 June 2023. A list of the largest shareholders is available on the company's investor pages at enento.com/investors.

Flagging notifications and managers' transactions have been published as Stock Exchange Releases and are available on Enento's investor website at enento.com/investors.

RISKS AND UNCERTAINTIES IN THE NEAR FUTURE

The demand for the Group's products and services depends on the activity of the business operations of its customers. Slow economic growth or a declining economy may result in a weakening demand for the services of Enento Group. In addition, regulatory changes that reduce the lending ability of the Group's customers may have a negative effect on the demand for the Group's services and products.

The war in Ukraine increases the economic uncertainty in the Nordic countries and globally. The war has a negative impact on macro-economic development and economic activity, which decreases the Group´s ability to predict the demand for its services and causes a risk of weakening revenue development. Enento Group does not have business in Ukraine, Russia or Belarus.

The Group´s customers are financially sound companies in the financial industry, whose credit risk is assessed to be low by the Group. For managing liquidity risk, the Group has unused credit arrangements and the Group does not have any external loans maturing before September 2025.

The exchange rate risk arising from the volatility of the Nordic currencies is primarily managed by operational means. Sales and purchases are mainly generated in the operating currency of each Group company. As a result, the Group is not exposed to any significant transaction risk. The Group manages translation risk by financing its business operations outside Finland in the local currency. This means that changes in operating profit arising from the fluctuation of exchange rates can be partly offset by the changes in financing costs. The Group's reporting currency is euro and the Group has significant business operations denominated in the Swedish krona and the Norwegian krone. Consequently, changes in the exchange rates have an impact on the development of the Group's reported net sales, EBITDA and profit.

A general tendency to seek cost savings in business activities and the tightening competition in the Group's business sector may cause downward pricing pressure, which may have a negative effect on revenue and profit.

Enento Group is operating in a regulated business and changes in the applicable regulation may impact on revenue and profit. Such regulation may concern, but are not limited to data protection, credit information as well as lending -related legislation. Any governmental plans to change credit information register- related regulations or potential introduction of governmental credit information registers may change the competitive landscape and / or otherwise impact Enento's business, revenue and profit. Also, the failure to comply with regulations could have legal consequences and cause reputational harm.

Enento Group believes that its continued success will be influenced by its ability to meet customers' needs through the development of products and services that are easy to use and that seek to increase customers' business process efficiency, offer cost savings, and facilitate better business decisions. Potential deficiencies in the management of the product development portfolio, as well as a shortage of development resources, may delay the introduction of new services or enhancements to the market and therefore weaken the Group's results.

Well-functioning information technology and good availability of services, cyber security and mitigation of cyber risks are essential conditions for the business operations of Enento Group. Notwithstanding the current solutions for high availability and protection solutions in accordance with best practices, the realization of external or internal threats can never be completely eliminated. The realization of risks of this kind could result in misuse, modification or illegal publication of information and could have legal consequences or cause reputational harm, loss of revenue, claims or regulatory actions.

Helsinki, 20 July 2023

ENENTO GROUP PLC
Board of Directors

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CONDENSED HALF YEAR FINANCIAL REPORT AND NOTES 1.1. – 30.6.2023

The figures presented in this Half Year Financial report are not audited. The amounts presented in the Half Year Financial report are rounded, so the sum of individual figures may differ from the sum reported.

1. Consolidated statement of comprehensive income, financial position, cash flows and changes in equity

CONSOLIDATED STATEMENT OF INCOME					
EUR thousand	1.4. – 30.6.2023	1.4. – 30.6.2022	1.1. – 30.6.2023	1.1. – 30.6.2022	1.1. – 31.12.2022
Net sales	**39 654**	**43 409**	**79 624**	**84 078**	**167 529**
Other operating income	32	81	128	215	412
Materials and services	-6 874	-7 331	-13 499	-14 149	-27 685
Personnel expenses[1]	-9 774	-10 234	-21 781	-21 092	-40 772
Work performed by the entity and capitalised[2]	709	1 161	1 761	2 336	3 565
Total personnel expenses	-9 066	-9 073	-20 020	-18 756	-37 207
Other operating expenses	-10 000	-11 662	-20 341	-22 741	-47 489
Depreciation and amortisation[2]	-5 067	-5 751	-10 282	-12 896	-29 795
Operating profit	**8 679**	**9 673**	**15 610**	**15 751**	**25 764**
Share of results of associated companies	-216	-216	-473	-382	-932
Finance income	285	82	645	160	411
Finance expenses	-1 648	-607	-3 343	-1 191	-3 134
Finance income and expenses	-1 364	-525	-2 698	-1 030	-2 722
Profit before income tax	**7 099**	**8 933**	**12 439**	**14 338**	**22 110**
Income tax expense	-1 456	-1 851	-2 531	-2 940	-4 754
Profit for the period	**5 644**	**7 081**	**9 908**	**11 397**	**17 355**
Items that may be reclassified to profit or loss:					
Translation differences on foreign units	-10 771	-10 267	-14 980	-12 349	-21 755
Hedging of net investments in foreign units	2 572	2 344	3 397	2 885	5 038
Income tax relating to these items	-514	-469	-679	-577	-1 008
	-8 714	**-8 392**	**-12 263**	**-10 041**	**-17 725**
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	-157	-	-157	-	3 278
Income tax relating to these items	32	-	32	-	-675
	-125	**-**	**-125**	**-**	**2 603**
Other comprehensive income for the period, net of tax	**-8 838**	**-8 392**	**-12 387**	**-10 041**	**-15 122**
Total comprehensive income for the period	**-3 195**	**-1 311**	**-2 479**	**1 356**	**2 234**

EUR million	1.4. – 30.6.2023	1.4. – 30.6.2022	1.1. – 30.6.2023	1.1. – 30.6.2022	1.1. – 31.12.2022
Profit attributable to:					
Owners of the parent company	5 644	7 081	9 908	11 397	17 355
Total comprehensive income attributable to:					
Owners of the parent company	-3 195	-1 311	-2 479	1 356	2 234
Earnings per share attributable to the owners of the parent during the period:					
Basic, EUR	0,24	0.29	0,41	0,47	0,72
Diluted, EUR	0,24	0,29	0,41	0,47	0,72

[1] Personnel expenses include accrued expenses related to the long-term incentive plan to the management in the following amounts: second quarter 1 April-30 June 2023 EUR 41 thousand, the reference period 1 April-30 June 2022 EUR 88 thousand. The review period 1 January–30 June 2023 EUR 198 thousand and the reference period 1 January–30 June 2022 EUR 132 thousand.

[2] In comparison year (fourth quarter of 2022) Enento Group made a partial write-down to platform development investments. The write-down included an impairment of intangible assets of EUR -5,8 million and a write-down of work in progress of EUR -5,0 million, of which EUR -4,0 million is included in other operating expenses and EUR -1,0 million on row work performed by the entity and capitalized.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	30.6.2023	30.6.2022	31.12.2022
ASSETS			
Non-current assets			
Goodwill	331 019	346 664	340 712
Other intangible assets	88 407	115 349	98 029
Property, plant and equipment	2 494	2 068	1 561
Right-of-use assets	8 142	5 825	4 531
Investments in associated companies	3 248	4 635	3 933
Financial assets and other receivables	61	82	-6
Total non-current assets	**433 371**	**474 622**	**448 761**
Current assets			
Account and other receivables	27 441	29 514	29 525
Cash and cash equivalents	5 274	10 134	20 785
Total current assets	**32 715**	**39 648**	**50 310**
Total assets	**466 086**	**514 270**	**499 071**

EUR thousand	30.6.2023	30.6.2022	31.12.2022
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	80	80	80
Invested unrestricted equity reserve	246 464	270 499	270 499
Translation differences	-26 326	-6 379	-14 063
Retained earnings	43 958	29 605	38 344
Equity attributable to owners of the parent	**264 176**	**293 804**	**294 859**
Share of equity held by non-controlling interest	0	0	0
Total equity	**264 176**	**293 804**	**294 860**
Provisions	1 484	-	89
Liabilities			
Non-current liabilities			
Financial liabilities	150 940	161 485	151 187
Pension liabilities	-	3 491	-
Deferred tax liabilities	15 859	20 809	17 989
Other non-current liabilities	-	15	11
Total non-current liabilities	**166 799**	**185 800**	**169 188**
Current liabilities			
Financial liabilities	2 074	2 029	1 411
Advances received	10 786	11 627	10 196
Account and other payables	20 766	21 010	23 328
Total current liabilities	**33 627**	**34 667**	**34 934**
Total liabilities	**200 426**	**220 466**	**204 122**
Total equity and liabilities	**466 086**	**514 270**	**499 071**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR thousand	Share capital	Invested un-restricted equity reserve	Translation differences	Retained earnings	Total	Share of equity held by non-controlling interest	Total equity
	Attributable to owners of the parent						
Equity at 1.1.2023	**80**	**270 499**	**-14 063**	**38 344**	**294 859**	**0**	**294 860**
Profit for the period	-	-	-	9 908	9 908	-	9 908
Other comprehensive income for the period							
Translation differences	-	-	-14 980	-	-14 980	-	-14 980
Hedging of net investments	-	-	3 397	-	3 397	-	3 397
Income tax relating to these items	-	-	-679	-	-679	-	-679
Items that may be reclassified to profit or loss	-	-	-12 263	-	-12 263	-	-12 263
Defined benefit plans	-	-	-	-157	-	-	-
Income tax relating to these items	-	-	-	32	-	-	-
Items that will not be reclassified to profit or loss	-	-	-	-125	-125	-	-125
Other comprehensive income for the period, net of tax	-	-	-12 263	-125	-12 263	-	-12 263
Total comprehensive income for the period	-	-	-12 263	9 784	-2 479	-	-2 479
Transactions with owners							
Distribution of funds	-	-24 035	-	-	-24 035	-	-24 035
Management's incentive plan	-	-	-	198	198	-	198
Treasury shares	-	-	-	-4 367	-4 367	-	-4 367
Equity at 30.6.2023	**80**	**246 464**	**-26 326**	**43 958**	**264 176**	**0**	**264 176**

EUR thousand	Share capital	Invested un-restricted equity reserve	Translation differences	Retained earnings	Total	Share of equity held by non-controlling interest	Total equity
	Attributable to owners of the parent						
Equity at 1.1.2022	**80**	**294 533**	**3 662**	**18 118**	**316 394**	**0**	**316 394**
Profit for the period	-	-	-	11 397	11 397	-	11 397
Other comprehensive income for the period							
Translation differences	-	-	-12 349	-	-12 349	-	-12 349
Hedging of net investments	-	-	2 885	-	2 885	-	2 885
Income tax relating to these items	-	-	-577	-	-577	-	-577
Items that may be reclassified to profit or loss	-	-	-10 041	-	-10 041	-	-10 041
Defined benefit plans	-	-	-	-	-	-	-
Income tax relating to these items	-	-	-	-	-	-	-
Items that will not be reclassified to profit or loss	-	-	-	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-10 041	-	-10 041	-	-10 041
Total comprehensive income for the period	-	-	-10 041	11 397	1 356	-	1 356
Transactions with owners							
Distribution of funds	-	-24 035	-	-	-24 035	-	-24 035
Management's incentive plan	-	-	-	89	89	-	89
Equity at 30.6.2022	**80**	**270 499**	**-6 379**	**29 605**	**293 804**	**0**	**293 804**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	1.4. – 30.6.2023	1.4. – 30.6.2022	1.1. – 30.6.2023	1.1. – 30.6.2022	1.1. – 31.12.2022
Cash flow from operating activities					
Profit before income tax	7 099	8 933	12 439	14 338	22 110
Adjustments:					
Depreciation and amortisation	5 067	5 751	10 282	12 896	29 795
Finance income and expenses	1 580	741	3 171	1 413	3 654
Profit (-) / loss (+) on disposal of property, plant and equipment	-20	-	-20	-25	-49
Change in provisions	-35	-	1 444	-	90
Management's incentive plan	41	88	198	132	267
Other adjustments	-23	-28	-113	-57	4 720
Cash flows before change in working capital	13 708	15 484	27 401	28 698	60 587
Change in working capital:					
Increase (-) / decrease (+) in account and other receivables	-124	-1 467	733	-3 536	-4 182
Increase (+) / decrease (-) in account and other payables	-730	-1 792	1 204	739	144
Change in working capital	-854	-3 259	1 937	-2 797	-4 039
Interest expenses paid	-122	-1 012	-2 816	-1 049	-2 587
Interest income received	393	82	623	96	283
Income taxes paid	-4 231	-2 424	-5 967	-5 427	-9 452
Cash flow from operating activities	**8 894**	**8 871**	**21 179**	**19 520**	**44 792**
Cash flows from investing activities					
Purchases of property, plant and equipment	-51	-10	-1 421	-104	-140
Purchases of intangible assets	-2 700	-3 395	-5 972	-6 890	-13 047
Proceeds from sale of property, plant and equipment	32	-	32	64	210
Proceeds from sale of intangible assets	1 407		1 407		
Investments in associated companies	-	-1 835	-	-1 835	-1 835
Cash flows from investing activities	**-1 311**	**-5 240**	**-5 954**	**-8 766**	**-14 811**
Cash flows from financing activities					
Purchase of own shares	-4 168	-	-4 168	-	-
Repayments of interest-bearing liabilities	-580	-697	-1 201	-1 380	-9 556
Dividends paid and other profit distribution	-24 035	-24 052	-24 035	-24 052	-24 052
Cash flows from financing activities	**-28 783**	**-24 748**	**-29 404**	**-25 431**	**-33 608**
Net increase / decrease in cash and cash equivalents	**-21 199**	**-21 118**	**-14 179**	**-14 677**	**-3 627**
Cash and cash equivalents at the beginning of the period	27 172	31 868	20 785	25 318	25 318
Net change in cash and cash equivalents	-21 199	-21 118	-14 179	-14 677	-3 627
Translation differences of cash and cash equivalents	-699	-617	-1 332	-507	-906
Cash and cash equivalents at the end of the period	**5 274**	**10 134**	**5 274**	**10 134**	**20 785**

Notes

2.1. Accounting policies

This Half Year Financial Report has been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with Enento Group´s financial statements for 2022. Enento Group has applied the same accounting principles in the preparation of this Half Year Financial Report as in its Financial Statements for 2022. Amendments to International Financial Reporting Standards (IFRS) which have been effective from 1 January 2023 have had no material impact on Enento Group.

Enento Group has announced an efficiency program in January 2023. The restructuring and other direct costs connected to the program are treated as items affecting comparability. Investments that meet capitalization criteria are treated as normal investments.

The amounts presented in the Half Year Financial Report are consolidated figures. The amounts presented are rounded, so the sum of individual figures may thus differ from the sum reported. Key figures have been calculated using exact figures. The figures presented in this Half Year Financial Report have not been audited.

2.2. Restated net sales by business area

Business area Digital Processes was integrated with business area Business Insight on 15th June 2023. The main reason for the change is to work even closer together with the total Nordic business information offering in Enento. The change means that as of 15th June, there are no longer three business areas within Enento but instead there are two business areas called Consumer Insight and Business Insight.

The previously reported net sales information by business area has been restated by combining the net sales of Digital Processes with the sales of Business Insight.

NET SALES BY BUSINESS AREA CUMULATIVE QUARTERLY, REPORTED AND RESTATED					
			Reported		
EUR thousand	1.1. – 31.3.2022	1.1. – 30.6.2022	1.1. – 30.9.2022	1.1. – 31.12.2022	1.1. – 31.3.2023
Business Insight	19 242	39 567	58 222	79 357	19 431
Digital Processes	3 376	7 068	9 909	12 743	2 929
			Restated		
EUR thousand	1.1. – 31.3.2022	1.1. – 30.6.2022	1.1. – 30.9.2022	1.1. – 31.12.2022	1.1. – 31.3.2023
Business Insight	22 618	46 635	68 131	92 100	22 359
Digital Processes	-	-	-	-	-

NET SALES BY BUSINESS AREA PERIODIC QUARTERLY, REPORTED AND RESTATED					
			Reported		
EUR thousand	1.1. - 31.3.2022	1.4. - 30.6.2022	1.7. - 30.9.2022	1.10. - 31.12.2022	1.1. - 31.3.2023
Business Insight	19 242	20 325	18 655	21 157	19 431
Digital Processes	3 376	3 692	2 841	2 830	2 929
			Restated		
EUR thousand	1.1. - 31.3.2022	1.4. - 30.6.2022	1.7. - 30.9.2022	1.10. - 31.12.2022	1.1. - 31.3.2023
Business Insight	22 618	24 016	21 496	23 987	22 359
Digital Processes	-	-	-	-	-

2.3. Acquisitions

Enento Group hasn't made any acquisitions during the review period.

2.4. Transactions with related parties

Related parties of the Group consist of group entities, associated companies and shareholders having a significant influence over the Group. The shareholders who have had the right to nominate a representative in the Company's Board of Directors are considered to have significant influence in the Company. In addition, the key management persons, including the Board of Directors, CEO and Executive Team, are related parties of the Group, as well as their close family members and companies, where the above mentioned persons exercise controlling power.

THE FOLLOWING TRANSACTIONS WERE CARRIED OUT WITH RELATED PARTIES

1.1. – 30.6.2023 EUR thousand	**Sales of goods and services**	**Purchases of goods and services**	**Finance income and expenses**
Shareholders having a significant influence over the Group	5 067	216	949
Associated company	66	60	0
Total	**5 133**	**276**	**949**

30.6.2023 EUR thousand	**Receivables**	**Liabilities**
Shareholders having a significant influence over the Group	1 157	48 929
Associated company	16	0
Total	**1 173**	**48 929**

1.1. – 30.6.2022 EUR thousand	**Sales of goods and services**	**Purchases of goods and services**	**Finance income and expenses**
Shareholders having a significant influence over the Group	5 806	212	310
Associated company	18	43	0
Total	**5 824**	**255**	**310**

30.6.2022 EUR thousand	**Receivables**	**Liabilities**
Shareholders having a significant influence over the Group	1 232	52 669
Associated company	28	40
Total	**1 260**	**52 710**

Transactions with related parties have been carried out on an arm's length basis. During the review period, the Group's related party transactions with key persons in management and members of the Board of Directors consisted of normal salaries and fees.

Long-term incentive plans for the management

Enento Group has share-based incentive plans for key personnel, the purpose of which is to align the interests of shareholders and key personnel, to retain key personnel to the company and to reward them for achieving the goals set by the Board of Directors.

The potential rewards from the plans will be paid in Enento Group Plc shares after the end of the performance period. Cash payment relating to the plan is intended to cover taxes and tax-related costs arising from the rewards to the participants. As a rule, no reward will be paid if a participant's employment or service ends before the reward payment.

Key information on performance share plans is presented in the following table:

PERFORMANCE SHARE PLANS	PSP 2020–2022	PSP 2021–2023	PSP 2022–2024
Grant date	25.2.2020	4.5.2021	13.5.2022
Performance period start date	1.1.2020	1.1.2021	1.1.2022
Performance period end date	31.12.2022	31.12.2023	31.12.2024
Vesting date	31.5.2023	31.5.2024	31.5.2025
Maximum number of shares granted, beginning of program	100 000	110 000	110 000
Maximum number of shares granted end of period	55 624	55 420	86 958
Actual amount of shares awarded	-	-	-
Number of plan participants, beginning of program	35	40	35
Number of plan participants, end of period	22	26	35
Expenses recognized for the review period, EUR thousand[1]	62 (39)	95 (66)	40 (27)
Implementation method	Shares	Shares	Shares
Performance criteria	Adjusted EBITDA and total shareholder return	Adjusted EBITDA and total shareholder return	Adjusted EBITDA and total shareholder return

[1]The figures in parentheses refer to the corresponding period in previous year.

NOTE 1. ALTERNATIVE PERFORMANCE MEASURES

Enento Group Plc presents alternative performance measures as additional information for key performance measures in the consolidated statements of income, financial position and cash flows prepared according to IFRS to reflect the financial development of its business operations and to enhance comparability from period to period. According to the management's view, alternative performance measures provide substantial supplemental information on the result of the Group's operations, financial position and cash flows to the management and investors, securities analysts and other parties. Alternative performance measures are not, as such, included in the consolidated financial statements prepared according to IFRS, but they are derived from the IFRS consolidated financial statements by adjusting items in the consolidated statements of income, financial position and cash flows and/or by proportioning them to each other. Alternative performance measures should not be considered as a substitute for measures in accordance with IFRS. All companies do not calculate alternative performance measures in a uniform way. Therefore, the company's alternative performance measures are not necessarily comparable with similarly named performance measures of other companies.

The alternative performance measures of this Half Year Financial report have been calculated applying the same principles as presented in the Board of Directors' Annual Report for 2022.

ALTERNATIVE PERFORMANCE MEASURES

EUR million	1.4. – 30.6.2023	1.4. – 30.6.2022	1.1. – 30.6.2023	1.1. – 30.6.2022	1.1. – 31.12.2022
EBITDA	13,7	15,4	25,9	28,6	55,6
EBITDA margin, %	34,7	35,5	32,5	34,1	33,2
Adjusted EBITDA	14,5	15,5	29,2	29,0	61,2
Adjusted EBITDA margin, %	36,5	35,7	36,7	34,5	36,6
Operating profit (EBIT)	8,7	9,7	15,6	15,8	25,8
EBIT margin, %	21,9	22,3	19,6	18,7	15,4
Adjusted operating profit (EBIT)	11,8	12,8	23,8	22,3	49,1
Adjusted EBIT margin, %	29,8	29,5	29,9	26,5	29,3
Free cash flow	5,9	6,4	16,0	13,5	33,9
Cash conversion, %[1]	42,7	41,5	61,8	47,1	56,0
Net sales from new services	4,4	2,2	7,7	4,4	7,8
New services of net sales, %	11,1	5,1	9,7	5,3	4,6
Net debt	147,7	153,4	147,7	153,4	131,8
Net debt to adjusted EBITDA, x	2,4	2,6	2,4	2,6	2,2
Return on equity, %	8,4	9,6	7,1	7,5	5,7
Return on capital employed, %	8,3	8,3	7,3	6,6	5,4
Gearing, %	55,9	52,2	55,9	52,2	44,7
Equity ratio, %	58,0	58,5	58,0	58,5	60,3
Gross investments	2,2	3,3	6,8	6,8	12,6
Earnings per share, comparable, EUR[2]	0,31	0,40	0,57	0,68	1,11

[1] The cash conversion, % 1.1.-31.12.2022 does not include the impact of write-downs made to development investments in December 2022 of EUR 10,9 million

[2] The comparable earnings per share does not contain amortization from fair value adjustments related to acquisitions or their tax impact.

Reconciliation of alternative key figures to the closest IFRS key figure

EBITDA AND ADJUSTED EBITDA					
EUR thousand	1.4. – 30.6.2023	1.4. – 30.6.2022	1.1. – 30.6.2023	1.1. – 30.6.2022	1.1. – 31.12.2022
Operating profit	**8 679**	**9 673**	**15 610**	**15 751**	**25 764**
Depreciation and amortisation	5 067	5 751	10 244	12 896	29 795
EBITDA	**13 746**	**15 424**	**25 854**	**28 647**	**55 559**
Items affecting comparability					
M&A and integration related expenses	110	16	110	202	352
Restructuring expenses	413	60	2 133	189	317
Paid damages	-	-	440	-	-
Efficiency program	221	-	654	-	-
Other expenses affecting comparability	-	-	-	-	5 011
Total items affecting comparability	745	75	3 337	391	5 681
Adjusted EBITDA	**14 491**	**15 499**	**29 192**	**29 037**	**61 240**

EBIT AND ADJUSTED EBIT					
EUR thousand	1.4. – 30.6.2023	1.4. – 30.6.2022	1.1. – 30.6.2023	1.1. – 30.6.2022	1.1. – 31.12.2022
Operating profit	**8 679**	**9 673**	**15 610**	**15 751**	**25 764**
Amortisation from fair value adjustments related to acquisitions	2 387	3 062	4 832	6 127	11 833
Items affecting comparability					
M&A and integration related expenses	110	16	110	202	352
Restructuring expenses	413	60	2 133	189	317
Paid damages	-	-	440	-	-
Efficiency program	221	-	654	-	-
Other expenses affecting comparability	-	-	-	-	10 859
Total items affecting comparability	745	75	3 337	391	11 529
Adjusted operating profit	**11 811**	**12 811**	**23 780**	**22 268**	**49 126**

FREE CASH FLOW					
EUR thousand	1.4. – 30.6.2023	1.4. – 30.6.2022	1.1. – 30.6.2023	1.1. – 30.6.2022	1.1. – 31.12.2022
Cash flow from operating activities	**8 894**	**8 871**	**21 179**	**19 520**	**44 792**
Paid interest and other financing expenses	122	1 012	2 816	1 049	2 587
Received interest and other financing income	-393	-82	-623	-96	-283
Acquisition of tangible assets and intangible assets	-2 750	-3 406	-7 393	-6 995	-13 187
Free cash flow	**5 873**	**6 395**	**15 978**	**13 479**	**33 909**

Calculation formulas for alternative performance measures

FORMULAS FOR KEY FIGURES

EBITDA	Operating profit + depreciation, amortization and impairment
Items affecting comparability	Material items outside the ordinary course of business that concern i) M&A and integration-related expenses, ii) redundancy payments, iii) compensations paid for damages, (iv) external expenses arising from significant regulatory changes and (v) legal actions
Adjusted EBITDA	EBITDA + items affecting comparability
Adjusted operating profit (EBIT)	Operating profit excluding amortization from fair value adjustments related to acquisitions + items affecting comparability
Net sales from new services	Net sales of new services is calculated as net sales of those services introduced within the past 24 months.
Free cash flow	Cash flow from operating activities added by paid interests and other financing expenses, deducted by received interests and other financing income and deducted by acquisition of tangible and intangible assets
Cash conversion, %	$\frac{\text{Free cash flow}}{\text{EBITDA}} \times 100$
Net debt	Interest-bearing liabilities - cash and cash equivalents
Net debt to adjusted EBITDA, x	$\frac{\text{Net debt}}{\text{Adjusted EBITDA, LTM}}$
Return on equity, %	$\frac{\text{Profit (loss) for the period}}{\text{Total equity (average for the period)}} \times 100$
Return on capital employed, %	$\frac{\text{Profit (loss) before taxes + Financial expenses}}{\text{Total assets - Non-interest-bearing liabilities (average for the period)}} \times 100$
Gearing, %	$\frac{\text{Interest -bearing liabilities - cash and cash equivalents}}{\text{Total equity}} \times 100$
Equity ratio, %	$\frac{\text{Total equity}}{\text{Total assets - Advances received}} \times 100$
Earnings per share, basic	Profit for the period attributable to the owners of the parent company divided by weighted average number of shares in issue
Earnings per share, diluted	Profit for the period attributable to the owners of the parent company divided by weighted average number of shares in issue, taking into consideration the possible impact of the Group's management's long-term incentive plan

Earnings per share, comparable	Profit for the period attributable to the owners of the parent company excluding amortization from fair value adjustments related to acquisitions and their tax impact divided by weighted average number of shares in issue
Gross investments	Gross investments are fixed asset acquisitions with long-term effect, from which no sales of property or disposal of business have been deducted. As a general rule, fixed assets comprise tangible assets and intangible assets

Purpose of use of alternative performance measures

EBITDA, adjusted EBITDA and adjusted EBIT are presented as alternative performance measures, as they, according to the company's view, enhance the understanding of the Group's results of operations and are frequently used by analysts, investors and other parties.

Net sales from new products and services is presented as an alternative performance measure, as it, according to the company's view, describes the development and structure of the company's net sales.

Free cash flow, cash conversion and gross investments are presented as alternative performance measures, as they provide, according to the company's view, a good insight into the needs relating to the Group's business cash flow and are frequently used by analysts, investors and other parties.

Net debt, net debt to adjusted EBITDA, return on equity and return on capital employed are presented as alternative performance measures, as they are, according to the company's view, useful measures of the Group's ability to obtain financing and pay its debts, and they are frequently used by analysts, investors and other parties.

Gearing and equity ratio are presented as alternative performance measures, as they, according to the company's view, reflect the level of risk related to financing and help to monitor the level of capital employed in the Group's business.

Comparable earnings per share is presented as an alternative performance measure, as it, according to the Company's view, helps to reflect the profit attributable to the owners.

QUARTERLY CONSOLIDATED STATEMENT OF INCOME

EUR thousand	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Net sales	**39 654**	**39 970**	**42 948**	**40 503**	**43 409**	**40 669**
Other operating income	32	96	111	86	81	134
Materials and services	-6 874	-6 625	-6 767	-6 770	-7 331	-6 818
Personnel expenses	-9 774	-12 006	-10 826	-8 854	-10 234	-10 857
Work performed by the entity and capitalised	709	1 052	309	920	1 161	1 174
Total personnel expenses	*-9 066*	*-10 954*	*-10 517*	*-7 934*	*-9 073*	*-9 683*
Other operating expenses	-10 000	-10 340	-14 969	-9 780	-11 662	-11 079
Depreciation and amortisation	-5 067	-5 215	-11 336	-5 563	-5 751	-7 146
Operating profit	**8 679**	**6 932**	**-529**	**10 543**	**9 673**	**6 077**
Share of results of associated companies	-216	-257	-321	-229	-216	-167
Finance income	285	360	195	56	82	78
Finance expenses	-1 648	-1 695	-1 501	-442	-607	-583
Finance income and expenses	-1 364	-1 335	-1 306	-386	-525	-505
Profit before income tax	**7 099**	**5 340**	**-2 156**	**9 928**	**8 933**	**5 405**
Income tax expense	-1 456	-1 075	301	-2 115	-1 851	-1 089
Profit for the period	**5 644**	**4 265**	**-1 855**	**7 813**	**7 081**	**4 316**
Items that may be reclassified to profit or loss:						
Translation differences on foreign units	-10 771	-4 209	-5 076	-4 330	-10 267	-2 082
Hedging of net investments in foreign units	2 572	825	1 197	956	2 344	541
Income tax relating to these items	-514	-165	-239	-191	-469	-108
	-8 714	**-3 549**	**-4 118**	**-3 565**	**-8 392**	**-1 649**
Items that will not be reclassified to profit or loss						
Remeasurements of post-employment benefit obligations	-157	-	3 278	-	-	-
Income tax relating to these items	32	-	-675	-	-	-
	-125	**-**	**2 603**	**-**	**-**	**-**
Other comprehensive income for the period, net of tax	**-8 838**	**-3 549**	**-1 515**	**-3 565**	**-8 392**	**-1 649**
Total comprehensive income for the period	**-3 195**	**716**	**-3 370**	**4 248**	**-1 311**	**2 667**
Profit attributable to:						
Owners of the parent company	5 644	4 265	-1 855	7 813	7 081	4 316
Total comprehensive income attributable to:						
Owners of the parent company	-3 195	716	-3 370	4 248	-1 311	2 667
Earnings per share attributable to the owners of the parent during the period:						
Basic, EUR	0,24	0,18	-0,08	0,33	0,29	0,18
Diluted, EUR	0,24	0,18	-0,08	0,32	0,29	0,18

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