

SITOWISE GROUP PLC

Growth continues, order book at a record level

Interim Report
1 January – 31 March 2021



SITOWISE



CONTENTS

2	Q1 IN BRIEF AND KEY FIGURES
3	CEO PEKKA ELOHOLMA
4	OUTLOOK AND FINANCIAL TARGETS
5	FINANCIAL DEVELOPMENT
8	BUSINESS REVIEW
12	SUSTAINABILITY & SOCIAL RESPONSIBILITY
13	PERSONNEL, MANAGEMENT AND CORPORATE GOVERNANCE
15	SHARES AND SHAREHOLDERS
18	SEASONALITY
18	QUARTERLY NET SALES AND EBITA OF THE GROUP
20	MAIN FINANCIAL STATEMENTS
24	NOTES

The figures in this report are unaudited. Comparative figures for the corresponding period of the previous year are in brackets. This report has been published in Finnish and English. In the event of any differences between the English translation and the Finnish original, the Finnish report will prevail.

HIGHLIGHTS FROM JANUARY–MARCH

- Order book increased by 12 percent and amounted to EUR 133 (119) million
- Net sales increased by 7 percent to EUR 42.8 (40.0) million
- Adjusted EBITA was EUR 4.7 (5.2) million, or 11.0 (12.9) percent of net sales
- Net debt/adjusted EBITDA declined to 1.4 (2.8)
- Listing on Nasdaq Helsinki Ltd's main list in March
- Four acquisitions strengthened Sitowise's position in Sweden, in digital solutions and in sustainability services
- 94% of Sitowise's clients feel that the COVID-19 pandemic has not impacted the quality of the services

KEY FIGURES

EUR million	1–3/2021	1–3/2020	Change	1–12/2020
Net sales	42.8	40.0	6.9%	160.1
EBITA, adjusted	4.7	5.2	-8.4%	20.6
% of net sales	11.0%	12.9%		12.9%
EBITA	4.1	4.9	-16.4%	19.5
Operating profit	3.7	4.6	-20.5%	18.3
Cash flow from operating activities before financial items and taxes	6.4	8.5	-25.7%	31.5
Net debt	30.5	49.8	-38.7%	56.6
Net debt/EBITDA, adjusted	1.4x	2.8x		2.6x
Equity ratio, %	46.0%	31.0%		30.2%
Earnings per share (EPS), EUR *)	-0.02	1.71		9.69
Number of personnel, average	1,910	1,780	7.3%	1,823

*) Not comparable due to the changes in number of shares mainly related to initial public offering.

CEO PEKKA ELOHOLMA:

Sitowise's order book grew by 12 percent during the first quarter compared to last year and represents a record high level. The strengthening of the order book is due to the clear increase in the number of tenders we placed and the market recovery that started at the end of last year and has since continued. Overall, the period from January to March went as we expected. Our adjusted EBITA was EUR 4.7 million and remained almost at last year's level.

Our net sales increased by 7 percent, driven by acquisitions made after the comparison period. The number of experts in our digital solutions business increased due to the acquisition of Sweetlakes Oy, which specialises in cloud and mobile development and solutions for security information systems. In Sweden, we strengthened our expertise in building systems services by acquiring Stockholms VVS-Kompetens AB, which operates in Stockholm and Södertälje. The number of our employees in Sweden increased to almost 250 as a result of the acquisition. Our sustainability expertise was reinforced through two acquisitions, which will enable us to further develop our services in sustainable development. Benviroc Oy is the Finnish market leader in municipal emissions calculation and CO₂ reporting, and MSDI Oy has developed a digital tool for sustainable management and decision-making in municipalities.

Despite of an exceptional year, our client satisfaction has remained very high: 94% of our clients feel that the COVID-19 pandemic has not impacted the success of our services. On the

contrary – our client satisfaction (NPS) improved by 10 percent compared to the previous year. Our clients place especially high value on our expertise, reliability, and service-mindedness. For an expert organization that wants to provide its clients with the best client experience, these are definitely the values with which we would like to continue working.

“ I am particularly proud that through the listing, more than half of our staff are also our shareholders.

At the end of March, we took a significant step on our growth journey when we were listed on the main list of the Nasdaq Helsinki Stock Exchange. The listing supports our growth, strengthened our balance sheet, and expanded our ownership base. I am particularly proud that through the listing, more than half of our staff are also our shareholders. This tradition of ownership has long roots in Sitowise, and this trust provides a solid foundation for entering into our next development phase. We will continue to implement our growth strategy in Finland as well as in the other Nordic countries, both through acquisitions and organically.



OUTLOOK AND FINANCIAL TARGETS

MARKET OUTLOOK

The company continues to see stable long-term demand growth in design and consulting services to create sustainable societies. The growth is driven by megatrends such as urbanization, renovation backlog, sustainability, and digitalization.

In the short-term, there is some uncertainty related to market development as well as the initiation and progress of projects. However, the clients have been active in the beginning of the year and the order book is growing.

GUIDANCE

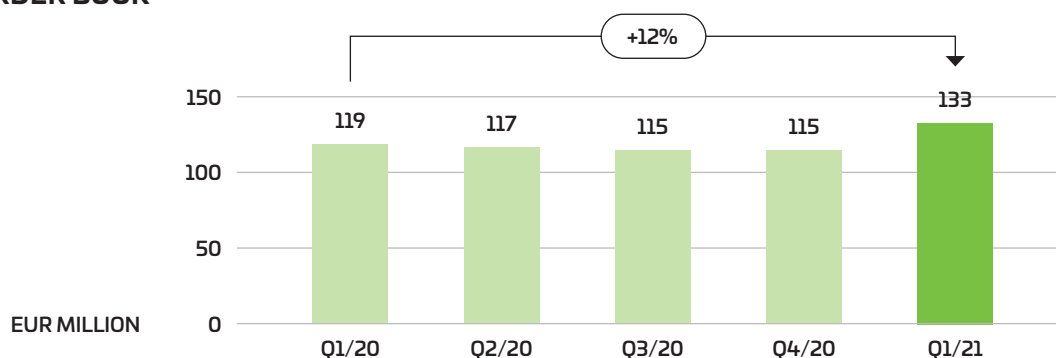
Sitowise Group has not published financial targets for 2021.

LONG-TERM FINANCIAL TARGETS

The Board of Directors of Sitowise Group has set the following long-term financial targets:

- **Growth:** Annual net sales growth of over 10 percent, including acquisitions;
- **Profitability:** Adjusted EBITA margin of at least 12 percent;
- **Leverage:** Net debt / adjusted EBITDA should not exceed 2.5x, except temporarily in conjunction with acquisitions; and
- **Dividend policy:** Sitowise targets paying a dividend corresponding to 30–50 percent of net profit.

THE GROUP'S ORDER BOOK



EUR million	31 Mar 2021	31 Mar 2020	Change	31 Dec 2020
Order book	133	119	12%	115

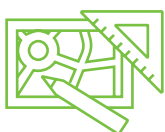
The market began to pick up notably towards the end of last year. This development was also visibly reflected in the increase of tenders placed by Sitowise during the first part of the year, and the strengthening of the order book in all business areas. Group's order book increased by 12 percent compared to the first quarter of last year. From the end of last year, the order book increased by 16 percent.

THE GROUP'S NET SALES AND PROFITABILITY

SITOWISE'S BUSINESS AREAS



The **Buildings** business area offers building design and consulting services for e.g. residential and commercial properties, as well as for the needs of the healthcare sector and industry. The business area offers significant design expertise in e.g. high-rise construction, acoustics design and fire safety planning. Sitowise acts as a partner in both new construction and repair planning.



The services of the **Infrastructure** business area cover a wide range of urban development needs in diverse areas: infrastructure, transport and mobility, urban development, environment and water, and the construction of infrastructure. Urbanization supports the investment needs of municipalities and cities in particular, and the business area's most significant client segment is the public sector, which accounts for almost 75% of turnover.



The fast-growing **Digital Solutions** business area focuses on digital solutions for mobility and the built environment as well as consultancy services that support these fields. These services cover client-driven information system development, ready-made product solutions, analytics, information management and visualization, and expert and consulting services.

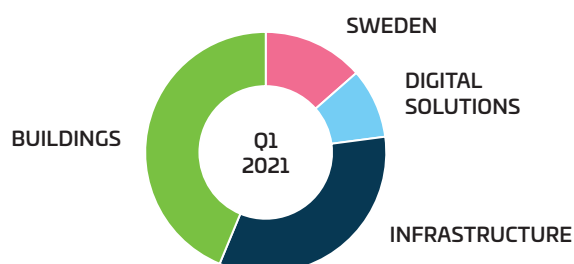


Sitowise's operations in **Sweden** are organized as their own business area. In Sweden, Sitowise provides design and consulting services for building and infrastructure sectors, including structural design and geotechnical design.

NET SALES IN JANUARY–MARCH

EUR million	1–3/2021	1–3/2020	Change	1–12/2020
Buildings	18.0	18.5	-2.7%	70.8
Infrastructure	13.7	13.2	3.6%	54.2
Digital Solutions	3.7	3.3	12.6%	14.1
Sweden	7.4	5.1	45.1%	21.1
Total	42.8	40.0	6.9%	160.1

The increase in the Group's net sales during the first quarter was primarily a result of acquisitions made at the end of last year and the beginning of this year. Organic adjusted net sales were at previous year's level, which includes the fact that there was one less working day in January–March. The re-scheduling of employee vacations due to the COVID-19 pandemic had a negative impact on the net sales. Sitowise's listing process also temporarily reduced the utilization rate.



PROFITABILITY IN JANUARY-MARCH

EUR million	1-3/2021	1-3/2020	Change	1-12/2020
EBITA, adjusted	4.7	5.2	-8.4%	20.6
% of net sales	11.0%	12.9%		12.9%
EBITA	4.1	4.9	-16.4%	19.5
Operating profit	3.7	4.6	-20.5%	18.3
Result before taxes	-1.1	2.7	-140.0%	15.9
Result from continuing operations	-0.8	2.1	-137.9%	12.7
Earnings per share (EPS), EUR *)	-0.02	1.71		9.69

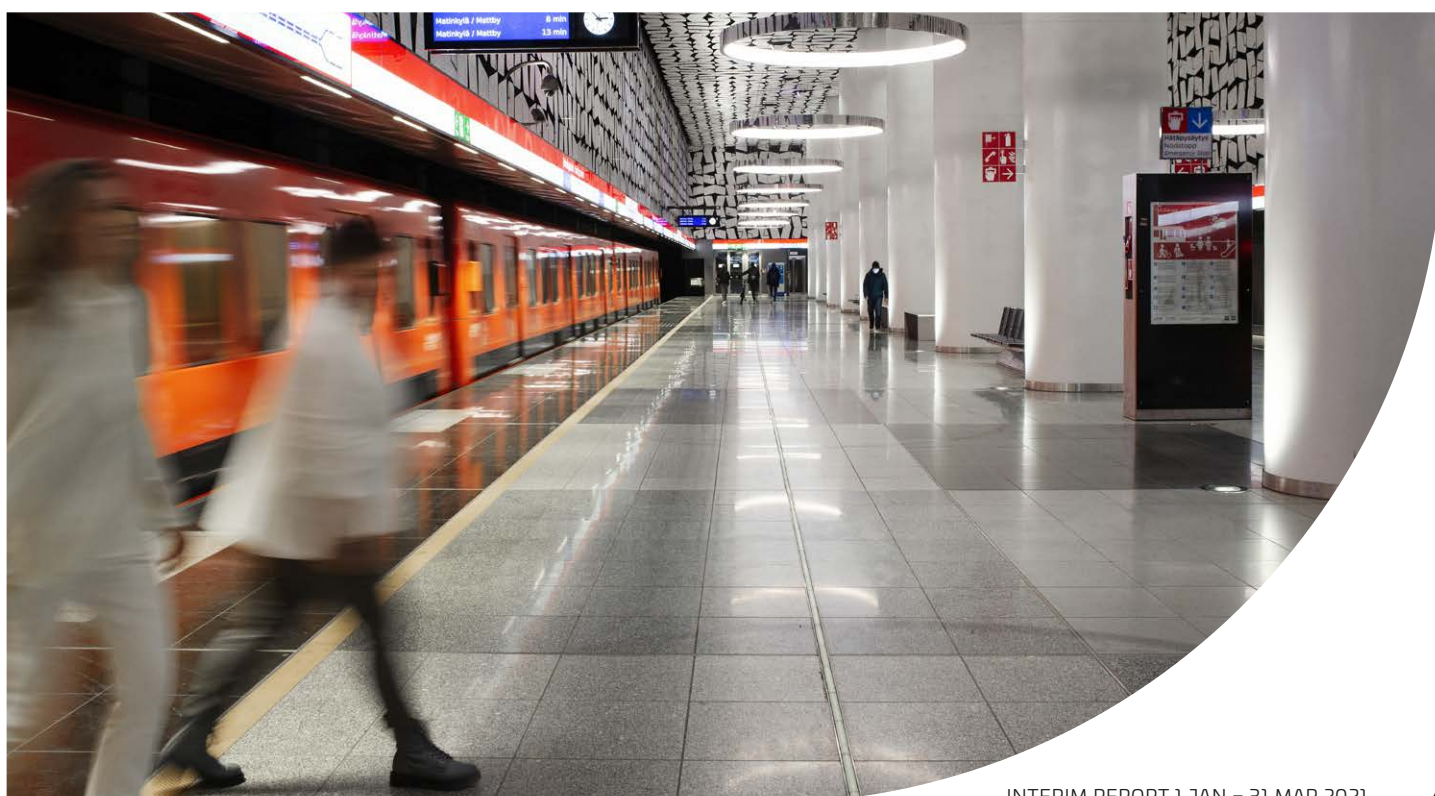
*) Not comparable due to the changes in number of shares mainly related to initial public offering.

The decreased **adjusted EBITA** was a result of lower net sales for the reasons mentioned on previous page. EBITA adjustments, i.e. items affecting comparability, amounted to EUR 0.6 (0.3) million. The adjustments related primarily to acquisitions and restructuring costs.

The **operating profit** decreased for the same reasons mentioned above.

The **profit before taxes** was affected by financial expenses, which amounted to EUR 4.7 (1.9) million and included both listing expenses and unrealized foreign exchange losses as a result of the revaluation of SEK-denominated internal loans.

The **earnings per share (EPS)** have been calculated with a non-comparable number of shares due to the listing at the end of the quarter.



FINANCING, FINANCIAL POSITION AND CASH FLOW

In connection with its listing, the Group refinanced its existing debt with a new share issue of approximately EUR 75 million and a new loan agreement of EUR 100 million. The new loan agreement includes one financial covenant for relative indebtedness. The new financing package spans over three years, with an option for a two-year extension. A term loan of EUR 40 million has been drawn from the financing agreement, but no other facilities are in use.

Equity attributable to owners of the parent company was EUR 104.1 (66.8 on 31 December 2020) million. The increase was mainly due to share issues carried out during the listing. The net effect of the share issues on the invested unrestricted equity fund was approximately EUR 74.9 million. In connection to the listing, a capital loan of EUR 14.1 million was repaid and P shares were redeemed for EUR 22.0 million.

EUR million	31 Mar 2021	31 Dec 2020	Change
Cash and cash equivalents	9.1	15.5	-40.9%
Interest bearing debt, total	39.6	72.0	-45.0%
<i>Interest bearing debt, current</i>	<i>0.0</i>	<i>3.3</i>	<i>-100.0%</i>
<i>Interest bearing debt, non-current</i>	<i>39.6</i>	<i>68.7</i>	<i>-42.3%</i>
Equity ratio, %	46.0%	30.2%	52.2%
Net debt	30.5	56.6	-46.1%
Net debt/EBITDA, adjusted	14x	2.6x	-45.2%
Gearing, %	29.3%	84.6%	-65.4%

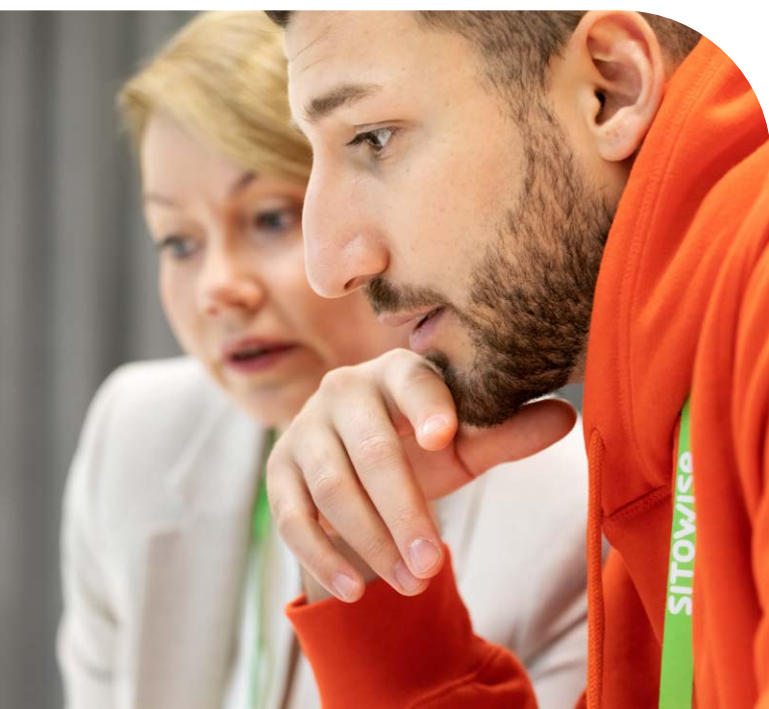
The Group's liquidity remained good. The listing and the related refinancing strengthened the Group's equity ratio and reduced gearing.

Cash flow from operating activities before financial items and taxes was EUR 6.4 (8.5) million during the first quarter. The comparison period was positively impacted by working capital arrangements which were made because of the COVID-19 pandemic.

Cash flow from investing activities in January–March increased to EUR 9.3 (5.6) million, mainly driven by acquisitions.

During the quarter, cash flow from financing was EUR 0.6 (4.2) million. Cash flow from financing was mainly affected by the IPO, capital repayment and refinancing. The funds from the personnel issue, totaling approximately EUR 5.0 million, were not received until April, and EUR 2.7 million in unpaid costs related to the listing remained in the consolidated balance sheet at the end of the quarter.

The consolidated balance sheet total at the end of March was EUR 226.7 (221.5 on 31 December 2020) million. The increase in the balance sheet total was mainly due to acquisitions. At the end of the quarter, goodwill in the balance sheet amounted to EUR 126.0 (118.1 on 31 December 2020) million. No indications of impairment exist.



BUSINESS REVIEW: BUILDINGS



The Buildings business area's net sales decreased by 2.7 percent in the first quarter, to EUR 18.0 (18.5) million. The business area's share of the Group's net sales was approximately 42 (46) percent.

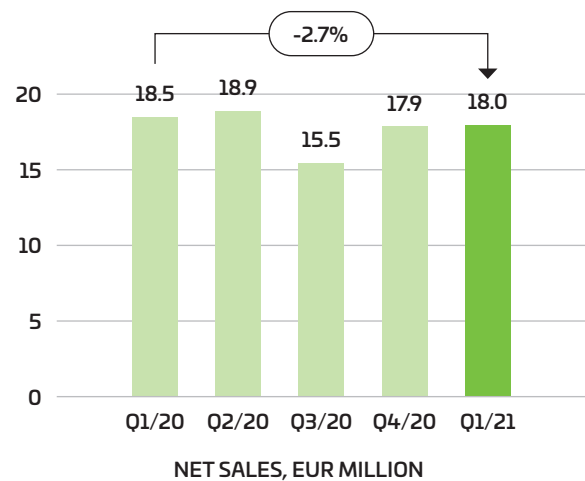
The long upward trend of the construction market slowed down during 2020 because of the COVID-19 pandemic, and the general cautiousness to invest was still visible in January–February 2021. COVID-19 particularly impacted the progress of renovation projects, business premises construction and caused delays in the preparation and planning phase of major construction projects.

Towards the end of the quarter, however, the market picked up and overall, the order book of the Buildings business area grew significantly in the first quarter of the year. At the end of March the order book was the highest in the history of Sitowise's Buildings business area. This began to have an impact on actual business operations at the end of the quarter. In several sectors, the market outlook is more positive than in the last quarter of 2020. For example, residential building construction has remained active, and there are also signs of recovery in public sector's service building and renovation projects.

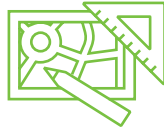
Also the efforts made in client relations and sales work during autumn 2020, as well as close cooperation with clients, began to demonstrate a positive impact in the Buildings business area's order book during the first quarter of 2021. This was reflected, for instance, in a growing need for resources and recruitment. The business area ran an extensive recruitment campaign in March, offering dozens of vacancies. In addition, the temporary

layoffs negotiated in the second half of 2020 were terminated prematurely. All those laid off were offered the opportunity to return to work as early as in February, despite the layoff period having been planned to continue through the end of March.

At the end of 2020, Sitowise acquired Paloässät Oy, which specializes in fire safety planning. The integration planning of Paloässät's operations was started at the beginning of 2021. In the initial phase of the integration process, the focus will be on improving the conditions for cooperation between Sitowise's and Paloässät's businesses, utilizing the know-how of experts and improving conditions for cross-selling.



BUSINESS REVIEW: INFRASTRUCTURE

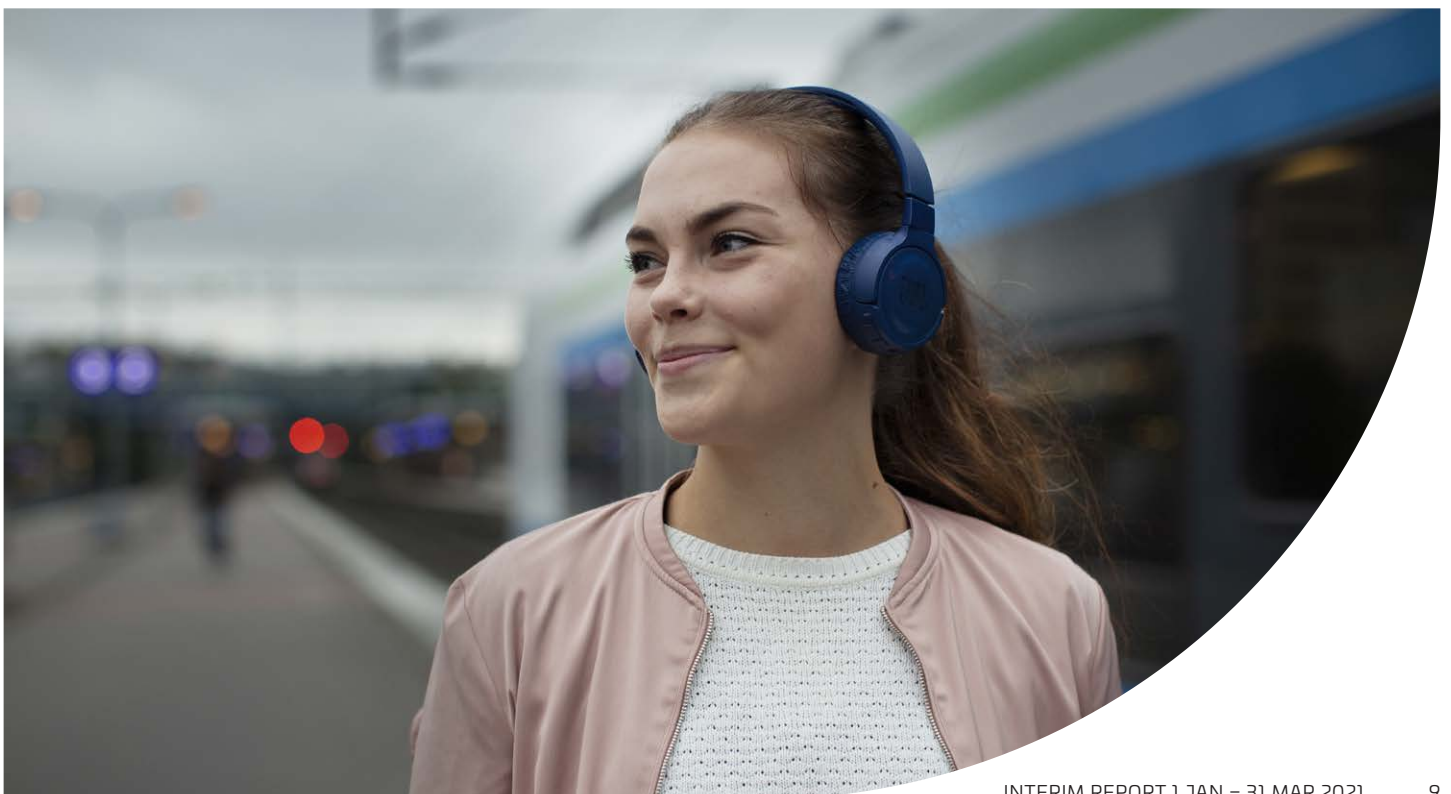
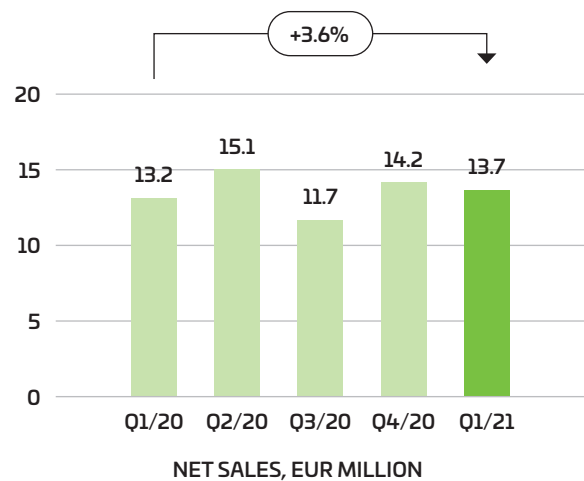


The net sales of **Infrastructure business area** increased by 3.6 percent to EUR 13.7 (13.2) million. The business area's share of the Group's net sales was approximately 32 (33) percent.

There were no significant changes in the business environment of the Infrastructure business area in the first quarter of 2021. In the early part of the year, the business focused strongly on sales and bidding, which was reflected in a significant positive development in infrastructure business's order book. More resources have been dedicated to tendering work than during the comparable period of the previous year, a growth which is also reflected in the strength of tender pipeline.

There are no signs of major changes in the infrastructure design market. The transport infrastructure market is showing an increase in emphasis on railway development, which is reflected in the number of rail projects. Tenders for major public renewal and renovation projects by the state have been completed. Sitowise is involved, for example, in the preparation of the track plan for the Espoo–Salo high-speed railway (the so-called "one-hour train"), for which Sitowise is responsible for planning the Lohja–Suomusjärvi section. In addition to large-scale renewal and repair projects, it can be observed that requests for tenders for medium-sized planning projects remain active. In the municipal sector, there is a noticeable need to periodize investments over a longer period of time than was previously the case, which may be reflected in demand in some municipalities. Overall, however, no significant decline in demand is noticeable.

In the first quarter, the business area strengthened its expertise in sustainability by acquiring Benviroc Oy, the Finnish market leader in the implementation of municipality-specific emission calculations and CO₂ reporting. Through the acquisition, Sitowise reported that it will establish a sustainability service portfolio on Group level.



BUSINESS REVIEW: DIGITAL SOLUTIONS



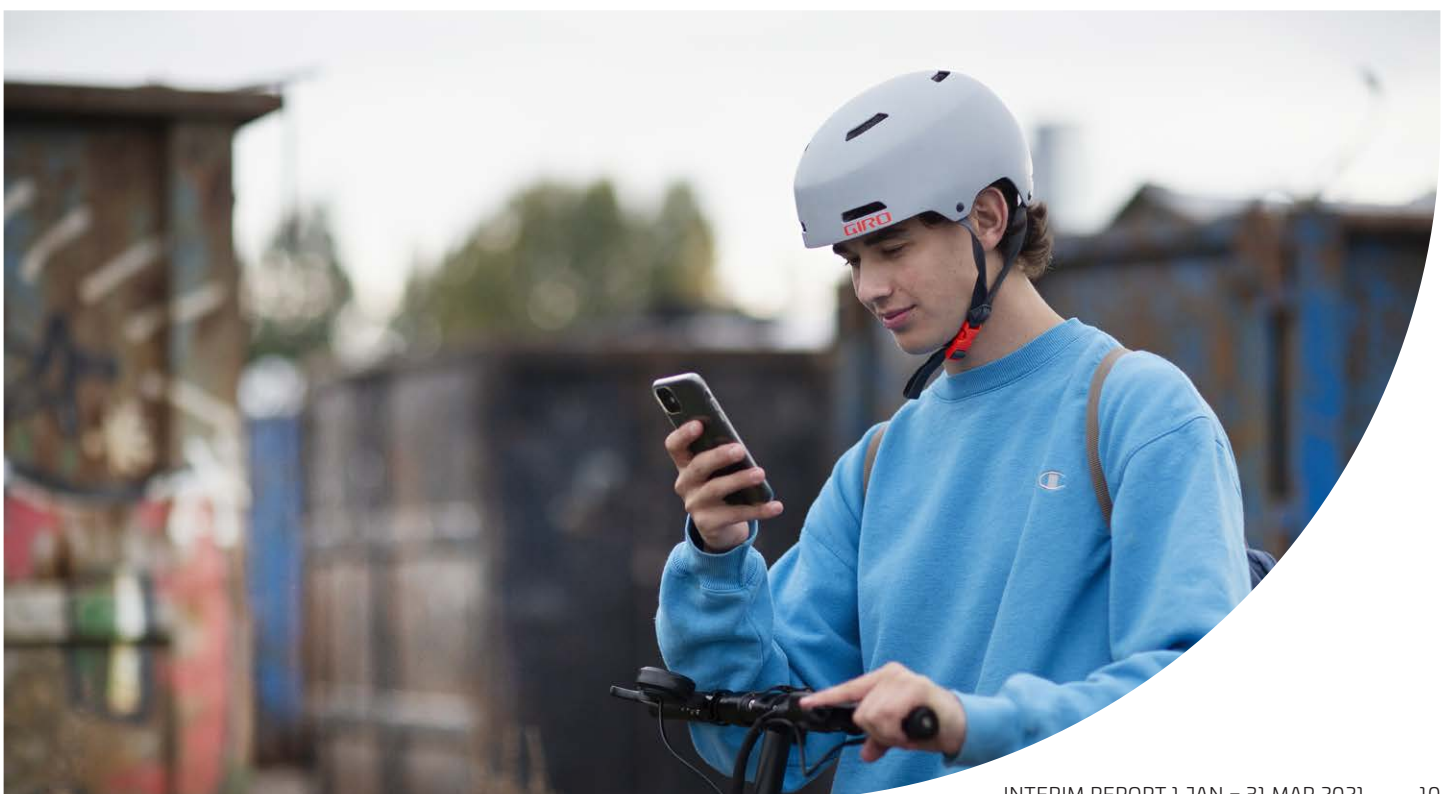
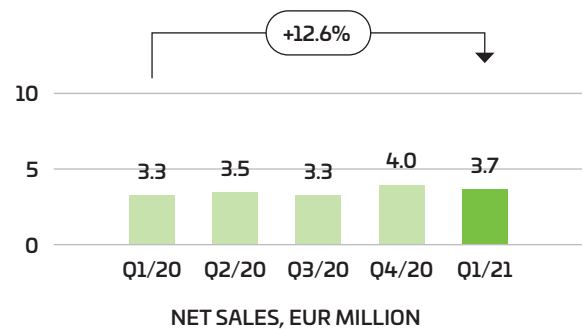
The net sales of the **Digital Solutions business area** increased by 12.6 percent in the first quarter to EUR 3.7 (3.3) million. The business area's share of the Group's net sales was approximately 9 (8) percent.

The most significant new project during the review period was the continued development of the Finnish Transport Infrastructure Agency's railway information systems. The value of the four-year agreement for Sitowise is estimated at approximately EUR 3.8 million. The development of railway information systems is linked to several key mobility and traffic processes, such as digitalization, climate-conscious mobility, the timeliness of maintenance, and traffic safety.

Several new projects were launched through the City of Helsinki's framework agreement for digital development initiatives that promote the city's digitalization and sustainability processes from multiple angles. In addition, a project was launched in which we are developing the Suomen Väylät map service platform for the presentation of the Finnish Transport Infrastructure Agency's open access map materials.

The Sitowise Group strengthened its Digital Solutions business area with two acquisitions in the early part of the year: Sweetlakes Oy from Jyväskylä, which specializes in cloud and mobile development as well as information system solutions in the security sector; and MSDI Oy, which offers digital solutions for advancing sustainability.

Demand for digital solutions in the built environment is growing as predicted – slightly faster than in the rest of the IT sector. Sitowise recognizes that the market is not yet mature and that there are significant further opportunities for operators in the field to take advantage of digitalization.



BUSINESS REVIEW: SWEDEN

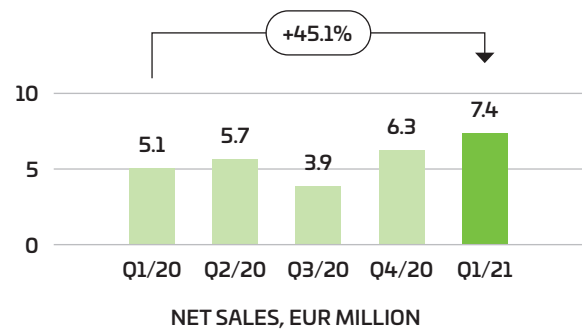
The net sales from Sweden increased by 45 percent in the first quarter to EUR 7.4 (5.1) million. The business area's share of the Group's net sales was approximately 17 (13) percent.

In Sweden, market uncertainty at the beginning of the year – due to the COVID-19 pandemi – was more pronounced than in Finland. For example, several public infrastructure projects were postponed – a development which was also reflected in the utilization rate of Sitowise's Swedish subsidiaries in January–February. At the end of the quarter, however, a recovery was noticeable, and the order book increased compared to the turn of the year. With the growth of the orderbook, the need for expert work remains at a high level.

The company made one acquisition in Sweden in early 2021: Stockholms VVS-Kompetens AB, a building services specialist operating in Stockholm and Södertälje.

// In Sweden, we strengthened our expertise in building systems services by acquiring Stockholms VVS-Kompetens AB, which operates in Stockholm and Södertälje. The number of our employees in Sweden increased to almost 250 as a result of the acquisition.

Pekka Eloholma, CEO



SUSTAINABILITY & SOCIAL RESPONSIBILITY

Sitowise’s vision is to be the industry’s most responsible partner in developing a thriving and sustainable living environment. From the standpoint of responsibility, the Group is committed to the long-term responsible development of its own operations as well as those of project-based and client-related work, and to reporting and measuring its sustainability efforts. In addition, the Group is constantly adapting its businesses related to social responsibility and sustainable development in order to rise to challenges and meet the changing needs of clients.

In March, Sitowise published its second Sustainability Report, as part of the 2020 Annual Report. The company reports in accordance with the GRI index and developed its sustainability indicators in its latest report. The aim is to make Sitowise’s responsibility impact more transparent, for example by reporting the carbon footprint of its own operations and setting business-specific responsibility indicators.

The built environment’s carbon footprint is significant, which is why Sitowise’s most significant impact through corporate social responsibility and sustainability is present in its client projects. At the same time – identifying, measuring and verifying sustainability and responsibility efforts have been identified as challenging objectives for the industry. At the beginning of 2021, Sitowise introduced a new sustainability tool as part of

its digital collaboration platform Voima. With the help of the tool, sustainability assessment is integrated within project management process, and therefore included in all projects initiated by Sitowise. The tool is based on the UN Sustainable Development Goals (SDGs). The tool helps to better understand the sustainability implications of the company’s projects and the impact of the choices made by Sitowise employees and clients on the environment, people and society. The tool is used to identify the most relevant topics of sustainability across all projects, and to record and monitor the measures taken within each project to promote sustainability.

In February, Sitowise also strengthened its service portfolio related to social responsibility and sustainability by acquiring both Benviroc Oy, the market leader in municipal emissions calculations and CO₂ reporting, and MSDI Oy, which focuses on management and decision-making processes related to sustainability in municipalities. The Group intends to further develop its sustainability-related business in accordance with client needs.

Sitowise has compiled its corporate responsibility metrics and practices online at <https://www.sitowise.com/sustainability-sitowise>.

Sitowise’s vision is to be the most responsible partner in developing a prosperous living environment.



PERSONNEL AND MANAGEMENT

PERSONNEL

	1-3/2021	1-3/2020	Change	1-12/2020
Number of personnel, average	1,910	1,780	7.3%	1,823
Number of personnel, at the end of the period	1,928	1,805	6.8%	1,902

The increase in the number of personnel was mainly driven by acquisitions.

GROUP MANAGEMENT TEAM

There were no changes in the composition of the Management Team of Sitowise Group during the first quarter. Members of the Group Management Team on 31 March 2021:

- Pekka Eloholma (Chief Executive Officer)
- Anne-May Asplund (Chief Human Resources Officer)
- Heidi Karlsson (Chief Financial Officer)
- Jannis Mikkola (Deputy CEO and Business Director, Infrastructure)
- Timo Palonkoski (Deputy CEO and Business Director, Buildings)
- Turo Tinkanen (Chief Information Officer)
- Minttu Vilander (Chief Communications and Corporate Responsibility Officer)
- Teemu Virtanen (Business Director, Digital Solutions)

BOARD OF DIRECTORS

In connection with the listing, Janne Näränen resigned from the Board and Leif Gustafsson and Mirel Leino-Haltia were elected as new members of the Board. The members of the Board of Directors:

- Eero Heliövaara (Chairman)
- Leif Gustafsson
- Taina Kyllönen
- Mirel Leino-Haltia
- Elina Piispanen
- Petri Rignell
- Tomi Terho

On 28 February 2021 the company's Board of Directors decided to establish an Audit Committee, a Nomination Committee and a Personnel Committee. Tomi Terho (Chairman), Taina Kyllönen and Mirel Leino-Haltia were appointed members of the Audit Committee. Eero Heliövaara (Chairman), Petri Rignell and Tomi Terho were appointed members of the Nomination Committee. Eero Heliövaara (Chairman), Elina Piispanen and Leif Gustafsson were appointed members of the Personnel Committee.



CORPORATE GOVERNANCE

By a unanimous resolution of the shareholders on 13 January 2021, the company resolved to make EUR 579,733.05 as a capital repayment for P1 and P2 shares on 15 January 2021 at latest.

Matters resolved by the Annual General Meeting were decided by a unanimous decision of the shareholders on 1 March 2021. The Annual General Meeting approved the company's financial statements for the period 1 January – 31 December 2020, decided not to distribute a dividend other than separately decided on the preferential shares and discharged the members of the Board of Directors and the CEO from liability. The Annual General Meeting also decided on the Board's remuneration as of April 1, 2021 as follows: the remuneration of the Chairman of the Board is EUR 4,750 per month and the remuneration of the other members of the Board is EUR 2,250 per month, the attendance allowance of the Chairman of the Board and the Chairmen of the Audit and Personnel Committees is EUR 1,000 per each meeting and the attendance allowance of the other members of the Board and the other members of the Audit and Personnel Committees is EUR 400 per each meeting. The Chairman and members of the Nomination Committee will each be paid an attendance allowance of EUR 1,000 in total. Had the listing not been completed, remuneration would have remained as before. KPMG Oy Ab Authorised Public Accountants was elected the auditor with Turo Koila continuing as the auditor with principal responsibility. It was decided that the company's share capital be increased by a fund increase to EUR 80,000, to change the company's legal form to a public limited company and the business name to Sitowise Group Plc, and to change the Articles of Association due to the change in corporate form. Furthermore, a share issue without payment (a split) was decided on, issuing 19 new class A1 shares to the company's class A1 shareholders for each class A1 share held by the shareholder and 19 new class A2 shares to each shareholder of the company for each class A2 share held by the shareholder. A total of 8,958,614 class A1 shares and 15,696,147 class A2 shares were issued in the share issue. With the same decision, the Board was authorized to decide on a dividend payment for the financial year 1 January – 31 December 2020, with all of the accrued preferred payments to the class P1 and P2 shares, up to the redemption date, paid as dividend, totaling a maximum of EUR 330,000.

The company's shareholders resolved unanimously on 3 March 2021 to amend the Articles of Association, subject to the completion of the listing, removing the redemption clause and certain provisions related to the share classes; on a share issue without payment; the combination of class A shares into one single class; the redemption and cancellation of class P shares as well as an authorization to the Board of Directors to decide on share issues in connection with the listing of the company, among others, and other measures regarding the listing of the company.

At its meetings on 27 January, 25 February and 11 March, the Board confirmed certain corporate governance documents conditional to the listing, such as the Charter of the Board of Directors and its committees, the principles of internal audit as well as the company's disclosure policy and insider guidelines. The Board also decided on a long-term incentive scheme, under which a total of 1,463,400 options were issued.

BOARD AUTHORIZATIONS

After the initial public offering and the issuance of options, the company has the following authorizations granted by a unanimous resolution of the shareholders on 3 March 2021:

The Board of Directors has been authorized to decide on a share issue as well as the issuance of option rights or other special rights entitling to shares within the meaning of Chapter 10, Section 1 of the Finnish Companies Act in one or several lots. The authorization includes both the issuance of new shares as well as the transfer of treasury shares. The total number of shares to be issued shall not exceed 3,500,000 shares, and the issuance of shares and of special rights entitling to shares could also be carried out in deviation from shareholders' pre-emptive rights (directed issue). The Board of Directors has been authorized to decide on the acquisition of the company's own shares. Based on the authorization, the total number of shares to be acquired may not exceed 3,500,000 shares. However, the company together with its subsidiaries cannot at any moment own more than 10 percent of all the shares of the company. The Board of Directors decides on the manner of acquiring own shares, and derivative instruments, among others, may be used in the acquisition. Based on the authorization, own shares could be acquired at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the market. Furthermore, the acquisition of shares could also be carried out in deviation from the shareholders' pre-emptive rights (directed acquisition). Only the unrestricted equity of the company could be used to acquire own shares on the basis of the authorization. The authorizations will be effective until the end of the next Annual General Meeting, however no longer than until 30 June 2022.

SHARES AND SHAREHOLDERS

INITIAL PUBLIC OFFERING

Sitowise Group Plc's initial share offering was oversubscribed multiple times and the listing was completed as planned. The listing consisted of a new share issue and of a share sale. The company raised approximately EUR 75 million in gross proceeds by issuing a total of 9,213,547 new shares in the share issue. Additionally, Intera Fund III Ky and certain other shareholders of the company sold a total of 7,881,994 new shares. The final subscription price was EUR 8.20 per share in the institutional and public offering and 10 percent lower in the personnel issue, i.e. EUR 7.38 per share. Based on these figures the company's market capitalization was approximately EUR 288 million immediately after the IPO. The shares were in strong demand from both Finnish and international investors; the share issue was oversubscribed multiple times. Trading in the company's shares commenced on Nasdaq Helsinki Ltd's prelist on 25 March 2021 and on the stock exchange on 29 March 2021.

The trading code of the Sitowise's shares is SITOWS. The Group belongs to Mid Cap companies and the Construction and Materials category.

In the institutional offering, 17,982,238 shares were allocated to institutional investors in Finland and internationally, and in the public offering, 1,000,000 shares were allocated to private individuals and entities in Finland. In addition, 672,053 shares were allocated to employees in Finland, Sweden, Estonia and Latvia, as well as to the company's management. The total number of shareholders increased to more than 9,000, including foreign institutional shareholders and all staff shareholders.

SHARES OUTSTANDING AND SHARE CAPITAL

Following acquisitions and in order to commit key personnel to the company, new shares were issued and the number of shares entered in the company's trade register increased during the review period by a total of 32,669 A2 shares and 980,291 P1 shares. The company canceled the shares held during the review period (37,183 Series A2 shares, 690,215 Series P1 shares and 275,332 Series P2 shares). In addition, Intera Fund III acquired the stock options granted to CEO Eloholma (a total of 7,692 stock options) and subscribed for A2 series shares with all options.

In the IPO, Sitowise issued a total of 9,213,547 new shares. In connection with the IPO, the company canceled a total of 12,879,032 Series P1 shares and 8,517,444 Series P2 shares.

In connection with Sitowise Group's IPO and the listing of the company's shares on the main list of Nasdaq Helsinki Ltd, the company's share classes were merged, the P1 and P2 series shares were redeemed and canceled and the number of outstanding shares increased to 34,493,874. The new shares (672,053) subscribed for in the personnel issue were registered in the Trade Register on 14 April 2021, and the number of the company's shares increased to 35,165,927 shares.

31 Mar 2021

Registered share capital, EUR thousand	80.0
Registered total number of shares	34,493,874
Shares owned by the company	0

At the end of the review period, Sitowise Group's share capital was EUR 80,000 and the total number of shares outstanding was 34,493,874. The company has one class of shares. Each share entitles its holder to one vote and an equal dividend. At the end of the previous financial year, 31 December 2020, Sitowise Group had four classes of shares entitling their holders to different numbers of votes and distribution of funds.

TRADING OF SHARES

SITOWS Nasdaq Helsinki	1-3/2021
Number of shares traded, million	13.1
Value of the trading, milj. euroa	107.3
Closing price on final day of trading, EUR	8.48
Volume-weighted average price, EUR	8.22
Highest price, EUR	8.56
Lowest price, EUR	8.20
Market capitalization (at the end of the period), EUR million	292.5

Trading in Sitowise Group's shares began on Nasdaq Helsinki Ltd's prelist on 25 March 2021 and on the stock exchange list on 29 March 2021.

SHAREHOLDERS

At the end of the review period, 31 March 2021, the number of registered shareholders was 7,522. Nominee-registered shareholders accounted for 34.9 percent of the company's shares. The ten largest shareholders entered in the book-entry register maintained by Euroclear Finland Oy owned a total of 30.9 percent. A list of these major shareholders is available on the company's website at www.sitowise.com.

In the table below, a list of the ten largest shareholders on 31 March 2021 is presented based on information from the Monitor service provided by the Swedish company Modular Finance AB: *)

TOP 10 SHAREHOLDERS

	Shareholder	# of shares	% of shares
1	Intera Fund III Ky	4,533,380	13.1%
2	Capital Group Companies, Inc.	2,042,482	5.9%
3	Lannebo Fonder AB	1,829,268	5.3%
4	Ilmarinen Mutual Pension Insurance Company	1,707,317	4.9%
5	Didner & Gerge Småbolag	1,463,414	4.2%
6	Paradigm Capital Value	1,219,512	3.5%
7	Evli Finnish Small Cap	1,216,167	3.5%
8	Mandatum Life Insurance Company Limited	847,497	2.5%
9	Skedevi Holding AB	841,640	2.4%
10	Varma Mutual Pension Insurance Company	635,000	1.8%
	10 largest in total	16,335,677	47.4%
	Outstanding shares on 31 Mar 2021	34,493,874	

*) Data may be incomplete for both the number of shares and shareholders. It is not possible for the company to verify the accuracy or timeliness of the information. The company is not responsible for the information provided by the service provider, which is provided only as additional information. The company's shareholder register is available from Euroclear and in addition the company publishes the flagging notifications it receives as stock exchange releases.

FLAGGING NOTIFICATIONS

During the reporting period Sitowise received the following announcements in accordance with Chapter 9 Section 5 of the Finnish Securities Market Act.

- The Capital Group Companies, Inc.'s indirect holding in Sitowise's shares and votes increased to more than 5 percent (25 March 2021).
- Intera Partners Oy's indirect holding of Sitowise's shares and votes decreased to 13.1 percent and Intera's holding through financial instruments increased to more than 5 percent (25 March 2021). The change was due to a share loan agreement entered into by Intera Fund III Ky, a company controlled by Intera, and Danske Bank A / S, the Finnish branch, on 25 March 2021 in connection with the IPO of Sitowise.

MANAGERS' TRANSACTIONS AND HOLDINGS

The transactions of Sitowise's management in connection with the listing have been published as stock exchange releases and are available on the company's website at www.sitowise.com.

The table below shows management's holdings. The holdings have been calculated for all shares, including the shares of the personnel issue. The share split has been taken into account in the number of shares at the end of last year.

Holdings	31 Mar 2021	% of shares	31 Dec 2020	% of shares
Board of Directors *)	277,680	0.8%	182,180	0.7%
CEO	226,735	0.6%	219,960	0.9%
Management team	839,626	2.4%	813,280	3.2%
Total	1,344,041	3.8%	1,215,420	4.8%
Total number of shares	35,165,927		25,580,660	

*) Includes direct holding and/or via a company

LONG-TERM INCENTIVE SCHEME

In March 2021, the Board of Directors of the company decided on the establishment of a new long-term incentive scheme which was conditional upon the execution of the listing. The target group of the option program includes the CEO and the members of Sitowise's management team and about 300 other Sitowise's key employees that are specifically invited to participate in the scheme. A total of 1,463,400 options were issued, each of which giving the right to subscribe for one new or treasury share.

The incentive programs of Sitowise Group are presented in more detail on the Group website and the offering circular (www.sitowise.com).

RISKS AND UNCERTAINTIES

Sitowise Group's financial performance is vulnerable to various strategic, operational and financial risks. Uncertainties triggered by general economic development are the most significant risks in the group's business operations. Sitowise's business is based on skilled personnel, and the availability of skilled professionals is an important contributor to ensuring profitable growth and business. Sitowise Group's risk management process and risks are described in more detail on the group's website and in the offering circular (www.sitowise.com). No significant new risks have been identified since the publication of the Offering Circular.

COVID-19 PANDEMIC:

Sitowise Group's top priority during the COVID-19 pandemic has been employee health and client safety. As the pandemic situation worsened, Sitowise's management reacted quickly. Remote working is made possible by using digital tools designed for this purpose. Experts have adapted well to the COVID-19-era model of remote working. Special attention has been given to impact, both physical and mental, of the remote work. As infection rates decline, we are ready to gradually increase the proportion of traditional office work.

Since March last year, Sitowise Group has been particularly careful in assessing its exposure to financial risks due to the COVID-19 pandemic. The Group estimates that the credit risk has not changed significantly. The listing and the refinancing process related to it strengthened the Group's liquidity. In addition, the Group's liquidity has been strengthened by monitoring trade receivables and cash flow more intensively. Enhanced monitoring will continue for the time being.



SEASONALITY

The seasonal variation of Sitowise's business is affected by the monthly allocation of the annual working days, which in turn is affected by the timing of public holidays (e.g. Easter and Christmas) and employee vacation periods. In addition to this, due to seasonal fluctuations in business, the second half of the year has historically been stronger than the first half. However, 2020 was also exceptional in this respect, with the second quarter producing a very strong result as employees shifted to remote working, holidays were postponed due to COVID-19 measures, and sick leave days were reduced. These factors served to increase the number of billable hours, which was reflected in both net sales and profitability.

The Group's net sales and profitability are generally the lowest in the third quarter due to the summer holidays.



CALENDAR EFFECTS, NUMBER OF WORKING HOURS BASED ON SALES WEIGHTED BUSINESS MIX

	2021	2020	Difference
Q1	470	478	-8
Q2	459	454	6
Q3	500	501	0
Q4	481	484	-3
Full year	1,911	1,916	-5

QUARTERLY NET SALES AND EBITA OF THE GROUP

EUR million	Q1/2020	Q2/2020	Q3/2020	Q4/2020	Q1/2021
Net sales	40.0	43.2	34.4	42.4	42.8
Other operating income	0.1	0.2	0.0	0.2	0.2
Material and services	-3.1	-3.5	-2.9	-3.8	-2.4
Personnel expenses	-25.9	-26.9	-21.3	-27.8	-29.1
Other operating expenses	-4.5	-4.2	-4.2	-5.4	-4.9
Depreciations	-1.6	-1.7	-1.7	-1.8	-1.8
EBITA, adjusted	5.2	7.2	4.4	3.9	4.7
EBITA, adjusted %	12.9%	16.6%	12.8%	9.2%	11.0%
Items affecting comparability	-0.3	-0.2	0.3	-0.9	-0.6
EBITA	4.9	6.9	4.7	3.0	4.1
EBITA %	12.2%	16.0%	13.7%	7.1%	9.5%

MAIN EVENTS AFTER PERIOD-END

The 672,053 new shares subscribed for in the personnel offering as part of the IPO were registered on 14 April 2021 in the Finnish Trade Register, maintained by the Finnish Patent and Registration Office (PRH). As a result of the registration of the new shares, the total number of shares issued by Sitowise is 35,165,927 shares. Trading in the new shares began on the main list of Nasdaq Helsinki Ltd on 15 April 2021. The new shares subscribed to in the personnel offering are subject to a lock-up period in accordance with the terms and conditions of the personnel offering, which will expire 360 days after the IPO, i.e. on 20 March 2022.

Espoo, 19 May 2021
Sitowise Group Plc
Board of Directors

ADDITIONAL INFORMATION

FOR FURTHER INFORMATION, PLEASE CONTACT:

Pekka Eloholma, CEO,
pekka.eloholma@sitowise.com | m +358 50 555 5590

Heidi Karlsson, CFO,
heidi.karlsson@sitowise.com | m +358 40 759 3320

Minttu Vilander, Chief Communications and Corporate
Responsibility Officer,
minttu.vilander@sitowise.com | m +358 40 575 6660

FINANCIAL CALENDAR

Planned publication dates for the Sitowise Group's financial reports in 2021 are as follows:

- Half-year Report, January–June 2021, 25 August 2021
- Interim Report, January–September 2021, 10 November 2021

WEBCAST FOR ANALYSTS, MEDIA AND INVESTORS

19 May 2021 at 11.00 a.m. (EEST)

DISTRIBUTION:

Nasdaq Helsinki Ltd
Key media
www.sitowise.com

INFORMATION ABOUT SITOWISE:

Sitowise is a Nordic expert in the built environment that offers sustainable design and consulting services. Sitowise operates in various size projects to enable more responsible and smarter urban development as well as smooth transportation. Sitowise offers its services in the following areas: Buildings, Infrastructure and Digital Solutions. Sitowise's operations are primarily in Finland and Sweden, and it also has competence centers in Estonia and Latvia mainly serving Sitowise's projects in Finland and Sweden. The group's net sales was approximately EUR 160 million in 2020 and the company employs over 1,900 experts.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

EUR thousand	1-3/2021	1-3/2020	1-12/2020
Net sales	42,797	40,046	160,082
Other operating income	311	143	1,365
Material and services	-2,448	-3,051	-13,220
Personnel expenses	-29,282	-25,851	-101,935
Other operating expenses	-5,470	-4,817	-20,012
Depreciation and amortization	-2,252	-1,871	-8,008
Operating result	3,655	4,600	18,272
Financial income	0	0	1,163
Financial expenses	-4,717	-1,941	-3,539
Result before taxes	-1,062	2,658	15,896
Income taxes	259	-538	-3,215
Result from continuing operations	-804	2,121	12,681
Discontinued operations			
Result from discontinued operations	0	60	118
Result for the period	-804	2,181	12,798
Attributable to:			
Owners of the parent	-790	2,173	12,728
Non-controlling interest	-14	8	70
Other comprehensive income			
Items that will not be reclassified as profit or loss			
Recognition of change in the fair value of other investments through comprehensive income	55	0	230
Items that may be reclassified to profit or loss			
Change in translation difference	-132	-231	243
Total comprehensive income	-880	1,950	13,271
Comprehensive income attributable to:			
Owners of the parent	-866	1,958	13,201
Non-controlling interest	-14	-8	70
Earnings per share: *)			
Earnings per share (EUR)	-0.02	1.71	9.69
Diluted earnings per share (EUR)	-0.02	1.70	9.63
Earnings per share (continuing operations): *)			
Earnings per share (EUR)	-0.02	1.67	9.60
Diluted earnings per share (EUR)	-0.02	1.66	9.54

*) Earnings per share are not comparable due to changes in the number of shares. Earnings per share calculated 1-3/2021 exceptionally with the number of shares outstanding on 31 March 2021. In the diluted number of shares 1-3/2021, the shares of the personnel issue have been taken into account. (Note 5)

The discontinued operations in 2020 include the divested telecommunications business sold to Rejlers during the financial year.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

EUR thousand	31 Mar 2021	31 Mar 2020	31 Dec 2020
Assets			
Goodwill	126,019	100,789	118,081
Other intangible assets	6,282	3,709	5,681
Tangible assets	33,273	29,442	34,174
Other shares, similar rights of ownership, and receivables	1,750	1,247	1,682
Deferred tax assets	1,529	1,416	304
Total non-current assets	168,853	136,604	159,922
Trade and other receivables	48,066	37,864	45,404
Deferred tax assets	690	0	740
Cash and cash equivalents	9,137	16,617	15,463
Total current assets	57,892	54,481	61,607
Total assets	226,746	191,085	221,528

EUR thousand	31 Mar 2021	31 Mar 2020	31 Dec 2020
Shareholders' equity and liabilities			
Share capital	80	3	3
Fund for invested unrestricted equity	93,449	40,610	40,663
Fair value reserve	285	0	230
Subordinated loans	0	14,145	14,145
Translation difference	228	-113	360
Retained earnings	10,063	4,349	11,370
Equity attributable to owners of the parent	104,104	58,993	66,770
Non-controlling interest	96	292	110
Total shareholders' equity	104,201	59,285	66,880
Deferred tax liabilities	1,955	1,194	1,985
Financial liabilities	62,913	84,332	92,554
Other liabilities	12	-30	12
Total non-current liabilities	64,879	85,496	94,551
Income tax liabilities	767	1,232	1,608
Financial liabilities	6,046	8,053	9,379
Provisions	1,765	1,746	1,793
Trade payable and other liabilities	49,087	35,273	47,317
Total current liabilities	57,665	46,304	60,098
Total shareholders' equity and liabilities	226,746	191,085	221,528

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

EUR thousand	1-3/2021	1-3/2020	1-12/2020
Cash flow from operating activities:			
Result for the period	-804	2,181	12,798
Adjustments			
Income taxes	-259	538	3,215
Depreciation and amortization	2,252	1,871	8,008
Financial income and expenses	4,717	1,941	2,376
Other adjustments	-65	-433	694
Change in working capital			
Trade and other receivables, increase (-) / decrease (+)	3,203	2,070	-700
Trade and other payables, increase (+) / decrease (-)	-2,692	381	5,117
Interest paid and other financial expenses	-1,010	-718	-6,495
Interest received and other financial income	0	0	73
Income taxes paid	-1,792	-136	-959
Net cash flows from operating activities	3,551	7,695	24,128
Cash flow from investing activities:			
Investments in tangible and intangible assets	-1,227	-504	-3,133
Acquired and divested businesses	0	0	739
Acquisitions of subsidiaries, net cash acquired	-8,110	-5,047	-21,717
Purchase and sale of other shares	0	0	-24
Net cash flows from investing activities	-9,338	-5,550	-24,135
Cash flow from financing activities:			
Payments from share issue	71,948	139	3,761
Paid IPO costs	-2,370	0	0
Share repurchase	-21	-115	-1,613
Dividend distribution and capital repayment	-22,286	0	-2,618
Withdrawal of loans	39,619	5,350	14,559
Repayments of loans	-72,725	-71	-4,091
Repayments of subordinated loans	-14,145	0	0
Lease liabilities, increase (+) / decrease (-)	-580	-1,088	-5,011
Net cash flow from financing activities	-561	4,214	4,987
Cash and cash equivalents at the start of the period	15,463	10,346	10,346
Change in cash and cash equivalents, increase (+) / decrease (-)	-6,348	6,360	4,980
Translation differences	22	-89	137
Cash and cash equivalents at the end of the period	9,137	16,617	15,463

STATEMENT OF CHANGES IN CONSOLIDATED INCOME (UNAUDITED)

EUR thousand	Equity attributable to owners of parent							Non-controlling interest	Total shareholders' equity
	Share capital	Fund for invested unrestricted equity	Fair value reserve	Subordinated loans	Translation differences	Retained earnings	Total		
Shareholders' equity 1 Jan 2021	3	40,663	230	14,145	360	11,370	66,770	110	66,880
Result for the period						-790	-790	-14	-804
Other comprehensive income			55		-132	0	-76		-76
Total comprehensive income	0	0	55	0	-132	-790	-866	-14	-880
Fund increase	78	-78					0		0
Share issues		76,908					76,908		76,908
Costs related to IPO offering		-2,057					-2,057		-2,057
Share repurchase						-21	-21		-21
Dividend distribution and capital repayment		-21,988				-298	-22 286		-22 286
Repayment of subordinated loans				-14 145			-14 145		-14 145
Interest of subordinated loans						-198	-198		-198
Transactions with owners	78	52,786	0	-14 145	0	-517	38 201	0	38 201
Shareholders' equity 31 Mar 2021	80	93,449	285	0	229	10 063	104 104	96	104 201
Shareholders' equity 1 Jan 2020	3	40,471	0	14,145	117	2,343	57,078	291	57,369
Result for the period						2,173	2,173	8	2,181
Adjustments for the previous financial year						-44	-44		-44
Other comprehensive income					-231		-231		-231
Total comprehensive income	0	0	0	0	-231	2,129	1,898	8	1,906
Share issues		139					139		139
Share repurchase						-122	-122		-122
Dividend distribution							0		0
Transactions with non-controlling interests							0	-7	-7
Transactions with owners	0	139	0	0	0	-122	17	-7	10
Shareholders' equity 31 Mar 2020	3	40,610	0	14,145	-113	4,349	58,993	292	59,285

NOTES TO THE INTERIM REPORT

Sitowise Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting Standards. The interim information does not include all the notes presented in the 2020 consolidated financial statements, therefore it should be read in conjunction with the 2020 consolidated financial statements prepared in accordance with IFRS. The same accounting principles have been applied in the interim financial information as in the consolidated financial statements. The interim report has not been audited.

During the quarter, the company was listed on the main list of Nasdaq Helsinki Ltd. The impact of the listing on the number of the company's shares is described in Note 5.

The explanatory part of the interim report describes the effects of the COVID-19 pandemic on the Sitowise Group in more detail. Otherwise, the key uncertainties related to decisions made by the management requiring discretion, management's estimates as well as key topics requiring discretion are the same as in the 2020 financial statements.

1. NET SALES

Net sales by business area

EUR thousand	1-3/2021	1-3/2020	1-12/2020
Buildings	17,960	18,455	70,789
Infrastructure	13,692	13,214	54,164
Digital Solutions	3,710	3,296	14,088
Sweden	7,419	5,113	21,087
Other	16	-31	-46
Total	42,797	40,046	160,082

Net sales by geographical area

EUR thousand	1-3/2021	1-3/2020	1-12/2020
Finland	35,188	34,633	138,043
Sweden	7,372	5,071	20,942
Other countries	237	342	1,097
Total	42,797	40,046	160,082

Net sales of the geographical areas are reported by the client's location.

Revenue from client contracts expected to be recognized and relating to remaining performance obligations by 31 March 2021 amount to approximately EUR 133 (119) million.

2. BUSINESS COMBINATIONS

During the first quarter, the Sitowise Group completed four acquisitions that affected the Group's net sales during the quarter by EUR 0.9 million. Three of the acquisitions were in Finland and one in Sweden:

- Stockholms VVS-Kompetens AB, a building services specialist based in Stockholm and Södertälje
- Jyväskylä-based Sweetlakes Oy, which specializes in cloud and mobile development as well as security information system solutions
- Benviroc Oy and MSDI Oy, which specialize in digital climate and sustainability services.

Company	Time	Transaction method	Location	Personnel
Stockholms VVS-Kompetens AB	2/2021	Share purchase (100%)	Stockholm	20
Sweetlakes Oy	2/2021	Share purchase (100%)	Jyväskylä	12
Benviroc Oy	2/2021	Share purchase (100%)	Espoo	2
MSDI Oy	2/2021	Share purchase (100%)	Espoo	1

All four acquisitions were made in cash. The additional purchase prices related to the arrangements totaled EUR 1.9 million. The assets and liabilities of the acquired companies mainly include working capital items as well as separately identified assets related to client relationships. The estimated useful lives of separately identified assets are five years. Recognized goodwill is not tax deductible.

EUR thousand	1-3/2021
Purchase price	10,925
Assets	3,677
Liabilities	1,305
Net assets	2,372
Goodwill	8,552

3. FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS

Fair value hierarchy levels:

- **Level 1:** Quoted fair values for identical assets and liabilities in active markets
- **Level 2:** Fair values are measured using inputs other than quoted prices included within Level 1, and they are observable for the asset or liability, either directly or indirectly
- **Level 3:** Fair values are measured using asset or liability data not based on observable market inputs

Financial assets

EUR thousand	Measured at amortized cost	Measured at fair value through other comprehensive income	Book value total	Fair value	Level
Non-current financial assets					
Other shares and holdings		731	731	731	Level3
Loan receivables	917		917	917	Level2
Other financial assets	103		103	103	Level2
Current financial assets					
Trade receivables	26,732		26,732	26,732	Level2
Cash and cash equivalents	9,137		9,137	9,137	Level1
Financial assets 31 Mar 2021	36,889	731	37,620	37,620	

EUR thousand	Measured at amortized cost	Measured at fair value through other comprehensive income	Book value total	Fair value	Level
Non-current financial assets					
Other shares and holdings		663	663	663	Level3
Loan receivables	917		917	917	Level2
Other financial assets	102		102	102	Level2
Current financial assets					
Trade receivables	30,232		30,232	30,232	Level2
Cash and cash equivalents	15,463		15,463	15,463	Level1
Financial assets 31 Dec 2020	45,696	1,682	47,378	47,378	

EUR thousand	Measured at amortized cost	Measured at fair value through other comprehensive income	Book value total	Fair value	Level
Non-current financial assets					
Other shares and holdings		346	346	346	Level3
Loan receivables	845		845	845	Level2
Other financial assets	56		56	56	Level2
Current financial assets					
Trade receivables	24,546		24,546	24,546	Level2
Cash and cash equivalents	16,617		16,617	16,617	Level1
Financial assets 31 Mar 2020	42,064	346	42,410	42,410	

Financial liabilities

EUR thousand	Measured at amortized cost	Measured at fair value through profit and loss	Book value total	Fair value	Level
Non-current financial liabilities					
Loans from financial institutions	39,634		39,634	39,634	Level2
Lease liabilities	23,279		23,279	23,279	Level2
Current financial liabilities					
Trade payables	6,393		6,393	6,393	Level2
Additional purchase price		2,036	2,036	2,036	Level3
Lease liabilities	6,027		6,027	6,027	Level2
Financial liabilities 31 Mar 2021	75,333	2,036	77,369	77,369	

EUR thousand	Measured at amortized cost	Measured at fair value through profit and loss	Book value total	Fair value	Level
Non-current financial liabilities					
Loans from financial institutions	68,728		68,728	68,728	Level2
Lease liabilities	23,826		23,826	23,826	Level2
Current financial liabilities					
Loans from financial institutions	3,318		3,318	3,318	Level2
Trade payables	4,955		4,955	4,955	Level2
Additional purchase price		1 171	1,171	1,171	Level3
Lease liabilities	6,061		6,061	6,061	Level2
Financial liabilities 31 Dec 2020	106,889	1 171	108,060	108,060	

EUR thousand	Measured at amortized cost	Measured at fair value through profit and loss	Book value total	Fair value	Level
Non-current financial liabilities					
Loans from financial institutions	63,014		63,014	63,014	Level2
Lease liabilities	21,318		21,318	21,318	Level2
Current financial liabilities					
Loans from financial institutions	3,354		3,354	3,354	Level2
Trade payables	2,181		2,181	2,181	Level2
Lease liabilities	4,700		4,700	4,700	Level2
Financial liabilities 31 Mar 2020	94,566	0	94,566	94,566	

Loans from financial institutions consist of a floating rate bank loan. In connection with its listing, the Sitowise Group refinanced its existing debt with a share issue of EUR 75 million and a new loan agreement of EUR 100 million. The new loan agreement includes one financial covenant for relative indebtedness. The new financing package spans over three years, with an option for a two-year extension. A term loan of EUR 40 million has been drawn from the financing agreement, but no other facilities are in use. The Group met all covenant conditions during the quarter as well as during the financial year 2020.

4. GUARANTEES AND CONTINGENT LIABILITIES

EUR thousand	31 Mar 2021	31 Dec 2020
Commitments on behalf of own obligations		
Business mortgages	0	125,000
Pledged shares, book value	0	203,394
Bank guarantees	2,567	2,729
Total	2,567	331,123
Bank guarantees		
Contractual guarantees	0	150
Other guarantees	2,567	2,579
Total	2,567	2,729

The new financing agreement negotiated in connection with the listing is unsecured.

Bank guarantees for a total of EUR 2.5 million have been given to landlords for leases of business premises. The company did not have any commercial guarantees related to client projects at the end of the quarter.

5. SHARES

By unanimous decision of the shareholders, it was decided that a capital repayment of EUR 580 thousand was to be made for certain P1 and P2 shares in January. In March, the Annual General Meeting authorized the Board to decide on a dividend payment for the financial year 1 January – 31 December 2020 with all of the accrued preferred payments to the class P1 and P2 shares, up to the redemption date. The dividend distribution totaled EUR 298,000.

Following acquisitions and in order to commit key personnel to the company, new shares were issued and the number of shares entered in the company's trade register increased during the review period by a total of 32,669 A2 shares and 980,291 P1 shares. The company canceled the shares held during the review period (37,183 Series A2 shares, 690,215 Series P1 shares and 275,332 Series P2 shares). Additionally, Intera Fund III acquired the stock options granted to CEO Eloholma (a total of 7,692 stock options) and subscribed for A2 series shares with all options.

In the IPO, Sitowise issued a total of 9,213,547 new shares. In connection with the IPO, the company canceled a total of 12,879,032 Series P1 shares and 8,517,444 Series P2 shares.

Share class	31 Dec 2020	1-2/2021 change	3/2021 before split	3/2021 after split	3/2021 redemption of P-shares
A1	471,506	0	471,506	9,430,120	9,430,120
A2	822,935	3,178	826,113	16,522,260	16,522,260
P1	12,588,956	290,076	12,879,032	12,879,032	0
P2	8,792,776	-275,332	8,517,444	8,517,444	0
Total	22,676,173	17,922	22,694,095	47,348,856	25,952,380

In connection with Sitowise Group's IPO and the listing of the company's shares on the main list of Nasdaq Helsinki Ltd, the company's share classes were merged, the P1 and P2 series shares were redeemed and canceled and the number of outstanding shares increased to 34,493,874. The new shares (672,053) subscribed for in the personnel issue were registered in the Trade Register on 14 April 2021, when the number of the company's shares increased to 35,165,927 shares.

	Combination of A-shares	New issue	Total	Personnel issue (14 Apr 2021)	31 Mar 2021
Number of shares	25,952,380	9,213,547	35,165,927	672,053	34,493,874

Number of shares used in calculating Earnings per share

Due to the share issues completed during the quarter, the earnings per share for the first quarter have exceptionally been calculated with the number of shares outstanding on 31 March 2021. The diluted number of shares takes into account the shares of the personnel issue.

	1-3/2021	1-3/2020	1-12/2020
Number of shares, average	34,493,874	1,271,585	1,265,355
Diluted number of shares, average	35,165,927	1,279,277	1,273,047

6. RELATED PARTY TRANSACTIONS

The company did not have any significant related party transactions during the period under review.

7. FINANCIAL AND ALTERNATIVE KEY FIGURES

Since the publication of the IFRS financial statements for 2019, Sitowise has reported some alternative key figures that do not comply with IFRS standards. The calculation of alternative key figures does not take into account items affecting comparability, which are different from ordinary business operations, in order to show the financial result of the underlying actual business. The alternative key figures are intended to improve comparability and are not a substitute for other IFRS-based key figures.

The alternative key ratios to be reported are adjusted EBITDA, EBITA, adjusted EBITA and Net debt / EBITDA (adjusted). Adjusted EBITDA and adjusted EBITA exclude material items that are not part of ordinary business activities but which affect comparability.

Details of items affecting comparability and reconciliations of alternative key figures are provided in Note 9.

Key figures describing financial development

EUR thousand	1-3/2021	1-3/2020	2020
Net sales	42,797	40,046	160,082
Growth in net sales, %	6.9%	17.9%	11.9%
Adjusted organic growth in net sales, %	0%	4%	3%
EBITDA, adjusted	4,722	5,152	20,633
% of net sales	11.0%	12.9%	12.9%
EBITA	4,081	4,880	19,535
Operating profit (EBIT)	3,655	4,600	18,272
% of net sales	8.5%	11.5%	11.4%
Balance sheet total	226,746	191,085	221,528
Cash and cash equivalents	9,137	16,617	15,463
Net debt	30,497	49,751	56,583
Cash flow from operating activities before financial items and taxes	6,353	8,549	31,508
Earnings per share (EUR)	-0.02	1.71	9.69
Diluted earnings per share (EUR)	-0.02	1.70	9.63
Earnings per share, continuing operations (EUR)	-0.02	1.67	9.60
Diluted earnings per share, continuing operations (EUR)	-0.02	1.66	9.54
Return on equity (ROE), %	11.4%	11.8%	20.6%
Return on capital employed (ROCE), %	10.5%	8.2%	12.1%
Equity ratio, %	46.0%	31.0%	30.2%
Net debt/EBITDA, adjusted	1.4x	2.8x	2.6x
Gearing, %	29.3%	83.9%	84.6%
Number of personnel, average	1,910	1,780	1,823
Full-time equivalent (FTE), average	1,650	1,515	1,555
Utilization rate	74.8%	76.5%	77.3%

8. FORMULAS OF FINANCIAL AND ALTERNATIVE KEY FIGURES

Adjusted organic growth in net sales	=	Growth in net sales excluding acquisitions and divestments adjusted by the amount of working days and exchange rate impact
EBITA	=	Operating profit + amortization of intangible assets
EBITA, adjusted	=	EBITA + items affecting comparability + items affecting comparability
EBITDA, adjusted	=	EBITDA + items affecting comparability, in addition lease liabilities are treated as operating leases, so lease expenses on the whole affect EBITDA
Items affecting comparability	=	Items affecting comparability are primarily costs associated with M&A and integration, restructuring as well as IPO readiness
Net debt	=	Loan from financial institutions – cash and cash equivalents (Net debt does not include lease liabilities)
Return on equity (ROE), %	=	$\frac{\text{Profit for the period, prev. 12 months}}{\text{Total shareholders' equity, average}}$
Return on capital employed (ROCE), %	=	$\frac{(\text{Profit before taxes + financial expenses}), \text{prev. 12 months}}{(\text{Balance sheet total} - \text{non-interest bearing debt}), \text{average}}$
Equity ratio, %	=	$\frac{\text{Total shareholders' equity}}{\text{Balance sheet total}}$
Net debt/EBITDA, adjusted	=	$\frac{\text{Net debt}}{\text{EBITDA, adjusted}}$
Gearing, %	=	$\frac{\text{Net debt}}{\text{Total shareholders' equity}}$
Earnings per share	=	$\frac{(\text{Result for the period} - \text{non-controlling interest} - \text{dividend for the financial period to be distributed taking tax impact into consideration})}{\text{Average number of shares}}$
Diluted earnings per share	=	$\frac{(\text{Result for the period} - \text{non-controlling interest} - \text{dividend for the financial period to be distributed taking tax impact into consideration})}{\text{Average diluted number of shares}}$
Earnings per share (continuing operations)	=	$\frac{(\text{Result for the period for continuing operations} - \text{non-controlling interest} - \text{dividend for the financial period to be distributed taking tax impact into consideration})}{\text{Average number of shares}}$
Diluted earnings per share (continuing operations)	=	$\frac{(\text{Result for the period for continuing operations} - \text{non-controlling interest} - \text{dividend for the financial period to be distributed taking tax impact into consideration})}{\text{Average diluted number of shares}}$
Full time equivalent (FTE), average		Group personnel, full-time equivalent average during the period
Utilization rate		Number of project hours worked relative to the number of hours worked

9. RECONCILIATION OF ALTERNATIVE KEY FIGURES

EUR thousand	1-3/2021	1-3/2020	2020
Net sales	42,797	40,046	160,082
Adjusted organic growth in net sales, %			
Growth in net sales	7%	8%	12%
Impact of acquisitions	-8%	-15%	-8%
Impact of number of working days	2%	1%	0%
Impact of exchange rates	-1%	0%	0%
Adjusted organic growth in net sales, %	0%	4%	3%
EBITA			
Operating profit (EBIT)	3,655	4,600	18,272
Amortizations of intangible assets	-426	-280	-1,263
EBITA	4,081	4,880	19,535
EBITA %	9.5%	12.2%	12.2%
Items affecting comparability			
Restructuring costs	181	28	253
M&A and integration costs	220	215	327
Costs related to IPO readiness	196	29	408
Other	43	0	111
Items affecting comparability, EBITDA	640	273	1,098
EBITA, adjusted			
EBITA	4,081	4,880	19,535
Items affecting comparability, EBITA	640	273	1,098
EBITA, adjusted	4,722	5,152	20,633
EBITA, adjusted %	11.0%	12.9%	12.9%
Net debt			
Loans from financial institutions	39,634	66,368	72,047
Cash and cash equivalents	9,137	16,617	15,463
Net debt	30,497	49,751	56,583
EBITDA, adjusted (prev. 12 months)			
EBITDA (prev. 12 months)	25,716	20,879	26,280
Items affecting comparability, EBITDA (prev. 12 months)	1,466	2,487	1,098
Operative lease liabilities (IFRS16) (prev. 12 months)	6,114	5,636	5,946
EBITDA, adjusted (prev. 12 months)	21,068	17,729	21,433
Net debt/EBITDA, adjusted			
Net debt	30,497	49,751	56,583
EBITDA, adjusted prev. 12 months)	21,068	17,729	21,433
Net debt/EBITDA, adjusted	1.4x	2.8x	2.6x
Gearing, %			
Total shareholders' equity	104,201	59,285	66,880
Net debt	30,497	49,751	56,583
Gearing, %	29.3%	83.9%	84.6%

SITOWISE GROUP PLC
LINNOITUSTIE 6 D, FI-02600 ESPOO, FINLAND
PHONE +358 20 747 6000
WWW.SITOWISE.COM

The Smart City Company

SITOWISE