OFFERING CIRCULAR **12 March 2021**

Sitowise Group Plc

Share Issue of approximately EUR 75 million

Share Sale of preliminarily a maximum of 7,881,994 Sale Shares

Subscription Price of EUR 8.20 per Offer Share

This offering circular (the "**Offering Circular**") has been prepared in connection with the initial public offering of Sitowise Group Plc ("**Sitowise**" or the "**Company**"), a public limited liability company incorporated in Finland. The Company aims to collect gross proceeds of approximately EUR 75 million by offering a maximum of 9,176,341 new shares of the Company (the "**New Shares**") for subscription (the "**Share Issue**"). In addition, Intera Fund III Ky ("**Intera**"), a fund administered by Intera Equity Partners III Oy, and the shareholders listed in the Annex A of this Offering Circular selling Sale Shares (as defined below) in the Offering (together with Intera, the "**Sellers**") will offer for purchase initially a maximum of 7,881,994 existing shares of the Company (the "**Sale Shares**") (the "**Share Sale**", and together with the Share Issue, the "**Offering**"). Unless the context indicates otherwise, the New Shares, the Sale Shares and the Additional Shares (as defined below) are together referred to herein as the "**Offer Shares**". The subscription price per Offer Share in the Offering is EUR 8.20 (the "**Subscription Price**"). The New Shares offered in the Personnel Offering are offered at a discounted subscription price of EUR 7.38 per New Share.

The Offer Shares are offered for subscription by (i) institutional investors in Finland and internationally (the "**Institutional Offering**"), (ii) private individuals and corporations in Finland (the "**Public Offering**") and (iii) the Company's and its subsidiaries' employees as well as the members of the Board of Directors and management team of the Company (the "**Personnel Offering**").

Funds managed and advised by Capital World Investors, Didner & Gerge Fonder, Evli Fund Management Company Ltd, Ilmarinen Mutual Pension Insurance Company, Lannebo Fonder AB and Paradigm Capital Value Fund (the "**Cornerstone Investors**") have given subscription commitments in relation to the Offering, under which they commit to subscribe for Offer Shares for approximately EUR 76 million in total at the Subscription Price. The subscription commitments of the Cornerstone Investors are conditional upon, among others, that the number of Offer Shares covered in the subscription undertaking is allocated to the Cornerstone Investors, as described in "*Terms and Conditions of the Offering – Special Terms and Conditions Concerning the Institutional Offering – Subscription Undertakings*".

Carnegie Investment Bank AB, Finland Branch ("**Carnegie**") and Danske Bank A/S, Finland Branch ("**Danske**") have been appointed to act as joint global coordinators and joint bookrunners for the Offering (together the "**Joint Global Coordinators**"). Intera is expected to grant to the Joint Global Coordinators an over-allotment option, exercisable within 30 days from commencement of trading in the Company's shares (the "**Shares**") on Nasdaq Helsinki Ltd (the "**Helsinki Stock Exchange**"), to purchase a maximum of 2,558,750 additional Shares (the "**Additional Shares**") solely to cover over-allotments in connection with the Offering (the "**Over-allotment Option**").

The subscription period for the Institutional Offering will commence on 15 March 2021 at 10:00 a.m. (Finnish time) and end on or about 25 March 2021 at 12:00 noon (Finnish time). The subscription period for the Public Offering will commence on 15 March 2021 at 10:00 a.m. (Finnish time) and end on or about 23 March 2021 at 4:00 p.m. (Finnish time). The subscription period for the Personnel Offering will commence on 15 March 2021 at 10:00 a.m. (Finnish time) and will end on or about 23 March 2021 at 4:00 p.m. (Finnish time). For instructions for subscription and full terms and conditions of the Offering, see section "*Terms and Conditions of the Offering*".

Before the Offering, the Shares have not been subject to trading on a regulated market. The Company will make an application to the Helsinki Stock Exchange for the Shares to be listed on the official list of Helsinki Stock Exchange with the trading code SITOWS. Trading of the Shares on the prelist of the Helsinki Stock Exchange is expected to commence on or about 26 March 2021 and on the official list of the Helsinki Stock Exchange on or about 30 March 2021 (the "**Listing**"). Trading in the New Shares allocated and paid for in the Personnel Offering is expected to commence on the official list of the Helsinki Stock Excange on or about 15 April 2021.

The Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "**US Securities Act**"), or under the securities laws of any state of the United States and accordingly, may not be offered or sold, directly or indirectly, in or into the United States except in transactions exempt from registration under the US Securities Act. The Shares are being offered and sold outside the United States in compliance with Regulation S under the US Securities Act ("**Regulation S**").

The Offering Circular may not be published or distributed in or into the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa or any other jurisdiction in which it would not be permissible to make an offer of the Shares. The Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into any such countries.

For certain risk factors involved in investing in the Shares, see section "Risk Factors".

Joint Global Coordinators

Carnegie Investment Bank AB, Finland Branch

Danske Bank A/S, Finland Branch

IMPORTANT INFORMATION

In connection with the Offering, the Company has prepared a Finnish language prospectus (the "**Finnish Prospectus**") in accordance with the Finnish Securities Market Act (746/2012, as amended) (the "**Finnish Securities Market Act**"), Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**Prospectus Regulation**"), Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (Annexes 1 and 11), Commission Delegated Regulation (EU) 2019/979 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary on a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus and a notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301, as well as the regulations and guidelines issued by the Finnish Financial Supervisory Authority ("**FIN-FSA**").

This Offering Circular also contains the summary in the format required by Article 7 of the Prospectus Regulation. Except for certain additional information included for the benefit of non-Finnish shareholders and prospective investors, this is an English language translation of the Finnish Prospectus. The FIN-FSA, as the competent authority under the Prospectus Regulation, has approved the Finnish Prospectus. The FIN-FSA has only approved the Finnish Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Investors should make their own assessment as to the suitability of investing in the securities. Approval by the FIN-FSA of the Finnish Prospectus shall not be considered as an endorsement of the issuer that is the subject of the Finnish Prospectus. The journal number of the FIN-FSA's decision of approval is FIVA 6/02.05.04/2021. In case of any discrepancies between the original Finnish Prospectus and the English language Offering Circular, the Finnish Prospectus shall prevail.

This Offering Circular is valid until the Offer Shares have been admitted to trading on the pre-list of the Helsinki Stock Exchange. The obligation to supplement the Offering Circular due to significant new factors or material mistakes or material inaccuracies does not apply when the Offering Circular is no longer valid.

In this Offering Circular, any reference to the "**Company**" means Sitowise Group Plc and any reference to "**Sitowise**" or the "**Group**" means the Company and its subsidiaries on a consolidated basis, except where it is clear from the context that the term means Sitowise Group Plc or a particular subsidiary or business unit only. References relating to the shares and share capital of the Company or matters of corporate governance shall refer to the Shares, share capital and corporate governance of Sitowise Group Plc.

Shareholders and prospective investors should rely solely on the information contained in the Offering Circular as well as on the stock exchange releases published by the Company. The Company or the Joint Global Coordinators have not authorized anyone to provide any information or give any statements other than those provided in the Offering Circular. Delivery of the Offering Circular shall not, under any circumstances, indicate that the information presented in the Offering Circular is correct on any day other than the date of the Offering Circular, or that there would not be any changes in the business of Sitowise after the date of the Offering Circular. However, if a fault or omission is discovered in this Offering Circular after the FIN-FSA has approved the Finnish Prospectus but before the admission of the Shares for trading on the Helsinki Stock Exchange and such fault or omission may be of material importance to investors, the Offering Circular shall be supplemented in accordance with the Prospectus Regulation. Responsibility to supplement the Offering Circular shall end when this Offering Circular expires.

In a number of countries, in particular in the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore and South Africa, the distribution of the Offering Circular and the offer of the Shares are subject to restrictions imposed by law (such as registration, admission, qualification and other regulations). The offer to subscribe for the Shares does not include persons in any jurisdiction where such an offer would be illegal. No action has been or will be taken by the Company or the Joint Global Coordinators to permit the possession or distribution of the Offering Circular (or any other offering or publicity materials or application form(s) relating to the Offering) in any jurisdiction where such distribution may otherwise lead to a breach of any law or regulatory requirement.

The Shares may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any documents relating to the Shares nor any advertisements may be distributed or published in any jurisdiction in which this would violate any laws or regulations. No action has been or will be taken by the Company or the Joint Global Coordinators to permit public offering of the Shares outside Finland. The Company and the Joint Global Coordinators require that any person who receives this Offering Circular into their possession acquire adequate information of these restrictions and comply with them. Nevertheless, the Shares may be offered to qualified investors in a member state of the European Economic Area ("**EEA**"), if any of the exceptions in the Prospectus Regulation is applicable.

The Shares have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Shares may not, with certain exceptions, be offered, sold, exercised, pledged, transferred or delivered, directly or indirectly, in or into the United States. In addition to the United States, the legislation of certain other countries may restrict the distribution of this Offering Circular. This Offering Circular must not be considered an offer of securities in such country, where offering of Shares would be forbidden. The Shares may not be offered, sold, exercised, pledged, transferred or delivered, directly or indirectly, in or into such country. Neither the Company nor the Joint Global Coordinators accept any legal responsibility for persons who have obtained the Offering Circular in violation of these restrictions, irrespective of whether these persons are prospective subscribers or purchasers of the Shares. The Company reserves the right, in its sole and absolute discretion, to reject any subscription of the Shares that the Company or its representatives believe may give rise to a breach or violation of any law, rule or regulation.

Investors must not construe the contents of this Offering Circular as legal, investment or tax advice. Each investor should consult such investor's own counsel, accountant or business advisor as to legal, investment and tax advice and related matters pertaining to the Offering, if they deem it necessary.

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SUMMARY

Introduction and Warnings

*This summary contains all the sections required by the Prospectus Regulation to be included in a summary for this type of securities and issuer. This summary should be read as an introduction to this offering circular (the "**Offering Circular**"). Any decision to invest in the securities should be based on consideration of the Offering Circular as a whole by the investor. An investor investing in the securities could lose all or part of the invested capital. Where a claim relating to the information contained in the Offering Circular is brought before a court, the plaintiff investor might, under applicable law, have to bear the costs of translating the Offering Circular before legal proceedings are initiated. The Company assumes civil liability in respect of this summary only if it is misleading, inaccurate or inconsistent when read together with the other parts of the Offering Circular, or if it does not provide, when read together with the other parts of the Offering Circular, key information in order to aid investors when considering whether to invest in the Shares.*

The identity and contact details of the issuer are as follows:

Name of the issuer:	Sitowise Group Plc
Address:	Linnoitustie 6, FI-02600 Espoo, Finland
Business identity code:	2767842-8
Legal entity identifier (LEI):	743700HOHMOHAANHFF73
ISIN Code of the Shares[1]:	FI4000480215

The Company will submit a listing application to Nasdaq Helsinki Ltd (the "**Helsinki Stock Exchange**") for the listing of the Shares on the official list of the Helsinki Stock Exchange (the "**Listing**"). This is an English language translation of the original Finnish language prospectus (the "**Finnish Prospectus**"). The Finnish Prospectus has been approved by the Finnish Financial Supervisory Authority (the "**FIN-FSA**") as the competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") on 12 March 2021. The FIN-FSA has only approved the Finnish Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the FIN-FSA of the Finnish Prospectus shall not be considered as an endorsement of the issuer that is the subject of the Finnish Prospectus. The decision number of the approval of the Finnish Prospectus is FIVA 6/02.05.04/2021.

The identity and contact details of the competent authority, the FIN-FSA, approving the Finnish Prospectus are as follows:

Financial Supervisory Authority
P.O. Box 103
FI-00101 Helsinki, Finland
Tel.: +358 9 183 51
Email: registry@fiva.fi.

Key Information on the Issuer

Who Is the Issuer of the Securities?

The issuer's legal and commercial name is Sitowise Group Plc (previously Sitowise Holding I Oy) (the "**Company**") and it is domiciled in Espoo, Finland. The Company is registered in the Finnish Trade Register of the Finnish Patent and Registration Office (the "**Finnish Trade Register**") under business identity code 2767842-8 and legal entity identifier (LEI) 743700HOHMOHAANHFF73. The Company is a public limited liability company incorporated in Finland and operating under Finnish law.

[1] After the combination of the share classes.

General

Sitowise is a Nordic expert in the built environment that offers sustainable design and consulting services for projects of all sizes. Sitowise offers its services in the following business 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, which primarily service Sitowise's projects in Finland and Sweden. Sitowise employs over 1,900 experts. For the financial year ended 31 December 2020, 86 percent of Sitowise's net sales was derived from Finland, 13 percent from Sweden and 1 percent from other countries[2].

Major Shareholders

The shareholders of the Company resolved by unanimous resolution on 3 March 2021 that the Company's class A1 and A2 shares will be combined into a single share class and the class P1 and P2 shares will be redeemed, in each case, subject to the completion of the Listing. Once the combination of the share classes and the cancellation of class P shares have been registered in the Trade Register, the Company will have a single share class, which will have 25,952,380 issued shares (excluding any New Shares to be issued in the Offering).

The following table sets forth ten largest shareholders of the Company by number of votes and their holdings of class A1 and A2 shares, based on the shareholders' register maintained by Euroclear Finland Oy ("**Euroclear Finland**") as at 11 March 2021 as well as on information available to the Company, prior to the completion of the combination of the Company's share classes:

Shareholder	Number of Shares	% of Shares	% of votes
Intera Fund III Ky	9,583,960	36.93	98.29
Mantere Pekka	1,319,300	5.08	0.14
Puurunen Tapio	1,055,440	4.07	0.11
Anttalainen Kimmo	993,720	3.83	0.10
Skedevi Holding Ab	841,640	3.24	0.09
Tinkanen Harri	469,200	1.81	0.05
Tuominen Rauno	371,220	1.43	0.04
Mikkola Jannis	356,740	1.37	0.04
Liukas Juha	329,820	1.27	0.03
Ala-Ojala Jukka	283,080	1.09	0.03
Others	10,348,260	39.9	1.08
Total class A shares in the Company	**25,952,380**	**100**	**100**

As at the date of this Offering Circular, Intera Fund III Ky ("**Intera**"), a fund administered by Intera Equity Partners III Oy, owns in total 36.9 percent of the outstanding class A shares, representing 98.3 percent of the votes in the Company. Accordingly, Intera has control over the Company as referred to in Chapter 2, Section 4 of the Finnish Securities Market Act (746/2012, as amended).

Key Managing Directors and Statutory Auditor

The members of the Board of Directors of the Company are Eero Heliövaara (chairman), Taina Kyllönen, Janne Näränen, Elina Piispanen, Petri Rignell and Tomi Terho. Janne Näränen has notified that he will resign from the Board of Directors of the Company subject to the completion of the Listing, and Leif Gustafsson and Mirel Leino-Haltia have been appointed as new members of the Board of Directors conditional upon the execution of the Listing.

Sitowise's management team consists of Pekka Eloholma (CEO), Jannis Mikkola (Executive Vice President, Vice President, Infrastructure), Timo Palonkoski (Executive Vice President, Vice President, Buildings), Heidi Karlsson (Chief Financial Officer), Anne-May Asplund (Chief Human Resourses Officer), Turo Tinkanen (Chief Information Officer), Minttu Vilander (Chief Communications and Corporate Responsibility Officer) and Teemu Virtanen (Vice President, Digital Solutions).

The Company's statutory auditor is KPMG Oy Ab, Authorized Public Accountant Firm, with Turo Koila, Authorized Public Accountant as the auditor with principal responsibility.

[2] The net sales of the geographical areas are reported by the customer's location.

What Is the Key Financial Information Regarding the Issuer?

The selected historical key financial information presented below has been derived from Sitowise's audited consolidated financial statements as at and for the financial years ended 31 December 2020 and 31 December 2019, including comparative unaudited consolidated financial information as at and for the financial year ended 31 December 2018, prepared in accordance with IFRS as adopted by the EU.

The following table sets forth the key figures of Sitowise for the dates and periods indicated:

	As at and for the year ended 31 December		
	2020	**2019**	**2018**
(EUR thousand, unless otherwise indicated)	**(unaudited, unless otherwise indicated)**		
KEY FIGURES			
Net sales	160,082[1]	143,016[1]	125,693
Net sales growth (%)	11.9	13.8	-
Operating profit	18,272[1]	10,644[1]	13,271
Operating profit margin (%)	11.4	7.4	10.6
EBITA	19,535	12,317	13,813
EBITA margin (%)	12.2	8.6	11.0
Adjusted EBITA	20,633	15,481	14,461
Adjusted EBITA margin (%)	12.9	10.8	11.5
Profit for the period	12,798[1]	6,858[1]	3,033
Balance sheet total	221,528[1]	188,432[1]	142,996
Shareholders' equity	66,880[1]	57,369[1]	45,798
Net debt (excluding lease liabilities)	56,583	50,662	39,381
Cash flow from operating activities	24,128[1]	14,444[1]	10,505
Cash flow from investing activities	(24,135)[1]	(25,087)[1]	(11,969)
Cash flow from financing	4,987[1]	11,683[1]	9,063
Earnings per share (EUR)	9.69	5.48	2.47

[1] Audited.

What Are the Key Risks That Are Specific to the Issuer?

- Adverse macroeconomic developments in Sitowise's core markets in Finland and Sweden, and in broader Nordic or global economic and financial market conditions could adversely affect Sitowise's operating environment and results of operations.
- Sitowise may be unable to correctly price or execute its projects which may render the projects unprofitable for Sitowise or damage Sitowise's client relationships.
- Sitowise may fail to implement its strategy successfully or its strategy may prove to be misaligned in relation to prevailing market conditions and trends, which may have a material adverse effect on Sitowise's profitability.
- Sitowise's planned growth through acquisitions may not be realized in full or at all if suitable targets are not available for sale, the transactions cannot be executed at an economically justifiable valuation or if the acquisitions include contingent liabilities that have not been reflected in the acquisition price. Furthermore, Sitowise is exposed to legal risks and risks relating to the integration of acquired or to be acquired companies, which may result in increased costs, failures to realize synergies and losses of growth opportunities.
- Sitowise's inability to retain and recruit employees may have a material adverse effect on Sitowise's net sales and results of operations.
- Defects, such as design errors, in Sitowise's projects may lead to substantial claims for compensation, and any such claims or legal or other regulatory proceedings could have a material adverse effect on Sitowise.
- Increased competition may have an adverse effect on Sitowise's net sales and profitability.
- Malfunctions, interruptions, failures or cybersecurity breaches affecting Sitowise's IT systems may lead to significant disruptions in Sitowise's operations which may have a material adverse effect on Sitowise's service continuity and professional reputation as well as result in unexpected costs.

- Sitowise may fail to secure sufficient financing to implement its growth strategy or otherwise. In addition, increase in the amount of debt in Sitowise's capital structure may weaken the equity ratio and have a material adverse effect on Sitowise's solvency.

Key Information on the Securities

What Are the Main Features of the Securities?

The Company's shares are registered in the Finnish book entry system maintained by Euroclear Finland. As at the date of this Offering Circular, the Company has four (4) share classes, which carry different voting rights in the Company and different rights to distributions of funds. The Company's shareholders resolved unanimously on 3 March 2021 that the class A1 and A2 shares in the Company will be combined into one share class, and that class P1 and P2 shares will be redeemed, subject to the completion of the Listing. After the combination of the share classes and the redemption and cancellation of class P1 and P2 shares, each share in the Company (the "**Shares**") shall entitle its holder to one vote at the General Meeting of Shareholders of the Company and carry equal rights to dividends and other distributions by the Company. The rights attached to the Shares shall include, among others, pre-emptive rights to subscribe for new shares in the Company, right to participate and exercise voting power at the General Meeting of Shareholders, right to dividend and distribution of other unrestricted equity, and right to demand redemption at a fair price from a shareholder that holds shares representing more than 90 percent of all the Shares and votes in the Company, as well as other rights generally available under the Finnish Limited Liability Companies Act (624/2006, as amended) (the "**Finnish Companies Act**").

The trading code of the Shares will be "SITOWS" and the ISIN code will be FI4000480215. The Shares have no nominal value and they are denominated in euro.

As at the date of this Offering Circular, the Company's Articles of Association contain a redemption clause. The Company's shareholders resolved unanimously on 3 March 2021 to remove the redemption clause from the Articles of Association conditional upon the execution of the Listing. The removal of the redemption clause will be notified to the trade register maintained by the Finnish Patent and Registration Office (the "**Trade Register**") in connection with notifying the registration of shares to be issued in the Offering or immediately prior to such notification. After the removal of the redemption clause, the Shares of the Company shall be freely transferrable.

According to its dividend policy, Sitowise targets paying a dividend corresponding to 30–50 percent of net profit.

Where Will the Securities Be Traded?

The Company will submit a listing application to the Helsinki Stock Exchange to list the Shares on the official list of the Helsinki Stock Exchange. Trading in the Shares is expected to commence on the prelist on or about 26 March 2021 and on the official list on or about 30 March 2021.

What Are the Key Risks That Are Specific to the Securities?

- The market price and liquidity of the Company's shares may fluctuate significantly.
- There is no assurance of distribution of dividends or capital repayment to the shareholders in the future.
- The Listing results in addition costs for the Company as well as new obligations regarding operating as a listed company.
- The interests of the Company's major shareholders may not be aligned with the interests of other shareholders.
- A significant shareholder may sell a significant part of its shareholding, which may have a negative effect on the Company's share price and result in other adverse effects for the Company.

Key Information on the Offer of Securities to the Public and the Admission to Trading on a Regulated Market

Under Which Conditions and Timetable Can I Invest in This Security?

General

The Company aims to raise gross proceeds of approximately EUR 75 million by offering a maximum of 9,176,341 new shares in the Company (the "**New Shares**") for subscription (the "**Share Issue**"). In addition, Intera Fund III Ky ("**Intera**"), a fund administered by Intera Equity Partners III Oy, and the shareholders listed in the Annex A of this Offering Circular selling Sale Shares (as defined below) in the Offering (together with Intera, the "**Sellers**") will offer for purchase initially a maximum of 7,881,994 existing shares of the Company (the "**Sale Shares**") (the "**Share Sale**", and together with the Share Issue, the "**Offering**"). In the Personnel Offering (as defined below), the Company offers preliminarily a maximum of 300,000 New Shares and, in the event of an oversubscription, a maximum of 700,000 additional New Shares. Unless the context indicates otherwise, the New Shares, the Sale Shares and the Additional Shares (as defined below) are together referred to herein as the "**Offer Shares**".

The subscription price for the Offer Shares in the Public Offering and Institutional Offering (as defined below) is EUR 8.20 per Offer Share (the "**Subscription Price**"). The subscription price in the Personnel Offering is 10 percent lower then the Subscription Price.

The Offering consists of (i) a public offering to private individuals and entities in Finland (the "**Public Offering**"), (ii) an institutional offering to institutional investors in Finland and, in accordance with applicable laws, internationally (the "**Institutional Offering**") and (iii) a personnel offering to the Company's and its subsidiaries' employees as well as the members of the Board of Directors and management team of the Company (the "**Personnel Offering**").

The Offer Shares represent a maximum of approximately 48.6 percent of all the Shares in the Company and votes vested by the Shares after the Share Issue assuming that the Over-allotment Option (as defined below) will not be exercised (approximately 55.8 percent assuming that the Over-allotment Option will be exercised in full), and assuming that the Sellers will sell the maximum number of Sale Shares and that the Company will issue 9,176,341 New Shares.

Funds managed and advised by Capital World Investors, Didner & Gerge Fonder, Evli Fund Management Company Ltd, Ilmarinen Mutual Pension Insurance Company, Lannebo Fonder AB and Paradigm Capital Value Fund (the "**Cornerstone Investors**") have given subscription commitments in relation to the Offering, under which they commit to subscribe for Offer Shares for approximately EUR 76 million in total at the Subscription Price. The subscription commitments of the Cornerstone Investors are conditional upon, among others, that the number of Offer Shares covered in the subscription undertaking is allocated to the Cornerstone Investors.

Over-Allotment Option

In connection with the Offering, Intera is expected to grant to the Joint Global Coordinators an over-allotment option, exercisable by Danske on behalf of the Joint Global Coordinators, to purchase a maximum of 2,558,750 additional Shares at the Subscription Price (the "**Additional Shares**") solely to cover over-allotments in connection with the Offering (the "**Over-allotment Option**"). The Over-allotment Option is exercisable within 30 days from the commencement of trading in the Shares on the prelist of the Helsinki Stock Exchange (i.e., on or about the period between 26 March 2021 and 25 April 2021) (the "**Stabilisation Period**"). The Additional Shares represent approximately 9.9 percent of the Shares and votes prior to the Offering and approximately 7.3 percent after the Offering assuming that the Sellers will sell the maximum number of Sale Shares and that the Company will issue 9,176,341 New Shares. However, the number of Additional Shares will not in any case represent more than 15 percent of the aggregate number of New Shares and Sale Shares.

Subscription Price and Subscription Period

The subscription price for the Offer Shares in the Public Offering and Institutional Offering is EUR 8.20 per Offer Share.

The price per share in the Personnel Offering is 10 percent lower than the Subscription Price meaning that the Subscription Price in the Personnel Offering is EUR 7.38 per Offer Share.

The Subscription Price may be changed during the subscription period, provided, however, that in the Public Offering the Subscription Price cannot be higher than the original Subscription Price, i.e. EUR 8.20 per Offer Share, and that in the Personnel Offering the Subscription Price cannot be higher than the original Subscription Price of the Personnel Offering, i.e. EUR 7.38 per Offer Share. Any change would be communicated through a stock exchange release and on the internet at www.sitowise.com/ipo. If the Subscription Price is changed, the Finnish Prospectus will be supplemented and the supplement will be published through a stock exchange release.

The subscription period for the Public Offering will commence on 15 March 2021, at 10:00 a.m. (Finnish time) and end on or about 23 March 2021, at 4:00 p.m. (Finnish time). The subscription period for the Institutional Offering will commence on 15 March 2021, at 10:00 a.m. (Finnish time) and end on or about 25 March 2021, at 12:00 noon (Finnish time). The subscription period for the Personnel Offering will commence on 15 March 2021, at 10:00 a.m. (Finnish time) and end on or about 23 March 2021, at 4:00 p.m. (Finnish time).

The Company's Board of Directors and Intera have, in the event of an oversubscription, the right to close the Public Offering and the Institutional Offering by joint decision at the earliest on 22 March 2021, at 4:00 p.m. (Finnish time). In addition, the Company's Board of Directors may close the Personnel Offering at its sole discretion no earlier than 22 March 2021, at 4:00 p.m. (Finnish time). The Public, Institutional and Personnel Offerings may be closed independently of one another. A stock exchange release regarding any close will be published without delay.

The Company's Board of Directors and Intera are entitled to extend the subscription periods of the Public and Institutional Offerings. The Company's Board of Directors is entitled to extend the subscription period of the Personnel Offering. A possible extension of the subscription period will be communicated through a stock exchange release, which will indicate the new end date of the subscription period. The subscription periods of the Public, Institutional and Personnel Offerings will in any case close on 30 April 2021, at 4:00 p.m. (Finnish time) at the latest. The subscription periods of the Public, Institutional and Personnel Offerings can be extended independently of one another. A stock exchange release concerning the extension of a subscription period must be published no later than on the estimated final dates of the subscription periods for the Public, Institutional or Personnel Offerings stated above.

Cancellation According to the Prospectus Regulation

If the Finnish Prospectus is supplemented in accordance with the Prospectus Regulation due to a material error or omission or due to material new information that has become known after the Finnish Financial Supervisory Authority has approved the Finnish Prospectus, but before trading in the Offer Shares begins on the prelist of the Helsinki Stock Exchange, investors who have given their Commitments before the supplement or correction of the Finnish Prospectus have, in accordance with the Prospectus Regulation, the right to cancel their Commitments within three (3) banking days after the supplement has been published. The use of the cancellation right requires that the error, omission or material new information that led to the supplement or correction has become known prior to the delivery of the Offer Shares to the investors. Any cancellation of a Commitment must concern the total number of shares covered by the Commitment given by an individual investor. If the Finnish Prospectus is supplemented, the supplement will be published through a stock exchange release. The stock exchange release will also include information on the right of the investors to cancel their Commitment in accordance with the Prospectus Regulation.

Fees and Expenses

Sitowise estimates that the fees and expenses payable by it in relation to the Offering will amount to approximately EUR 6.3 million (assuming that the Company will receive EUR 75 million gross proceeds and the discretionary fee is paid in full). The fees to be paid by the Sellers in connection with the Offering are expected to amount to approximately EUR 2.7 million (assuming that the Sellers sell the maximum amount of Sale Shares and the Over-allotment Option would not be used and the discretionary fee would be paid in full).

Applicable Laws and Dispute Resolution

The Offering shall be governed by the laws of Finland. Any disputes arising in connection with the Offering shall be settled by the court of competent jurisdiction in Finland.

Dilution of Ownership

Due to the New Shares issued in the Offering, the number of Shares in the Company may increase to 35,128,721 Shares assuming that the maximum number of New Shares are offered and subscribed for in the Offering. If the existing shareholders of the Company would not subscribe for the Offer Shares in the Share Issue, the total ownership of the existing shareholders would therefore dilute with approximately 26.1 percent.

Why Is This Offering Circular Being Produced?

The Company has prepared and published this Offering Circular in order to offer Shares to the public and to apply for the trading of its Shares on the official list of the Helsinki Stock Exchange.

Reasons for the Offering

The objective of the Offering is to enable Sitowise to implement its growth strategy and increase strategic flexibility by strengthening Sitowise's balance sheet. Furthermore, the Offering is expected to benefit Sitowise by strengthening Sitowise's recognition and brand awaress among customers, potential new employees, investors and in the technical consulting sector in general, and thus enhance Sitowise's competitiveness and support its growth strategy. The Listing would also enable the Company to obtain access to capital markets to raise new capital to support its growth strategy and broaden the Company's ownership base with domestic and foreign investors, which would increase the liquidity of the Shares. The Listing and increased liquidity also would make it possible to use the Shares more effectively as a means of consideration in potential acquisitions and in incentive programs for personnel.

Use and Estimated Amount of Proceeds

In the Offering, the Company aims to collect gross proceeds of approximately EUR 75 million by offering a maximum of 9,176,341 New Shares for subscription. In addition, the proceeds from the Share Issue are intended to be used for repayment of Sitowise's existing loans in connection with the refinancing with EUR 32.5 million as well as to repay the Company's shareholder loans and accrued but unpaid interest thereon with EUR 14.3 million, and to redeem all class P1 and class P2 shares of the Company with EUR 21.4 million in connection with the Listing. In addition, the proceeds from the Share Issue are intended to be used to support Sitowise's growth strategy, including financing of acquisitions.

The gross proceeds that the Sellers will receive from the Shares Sale will amount to approximately EUR 64.6 million (assuming that the Sellers will sell the maximum amount of Sale Shares and the Over-allotment Option would not be used).

Interests Related to the Offering

The fees to be paid to the Joint Global Coordinators are, in part, linked to the gross proceeds from the Offering.

The Joint Global Coordinators, as well as other entities in the same groups, may purchase and sell the Shares for their own or their customers' account prior to, during and after the Offering subject to applicable legislation and regulations.

The Joint Global Coordinators, as well as other entities in the same groups, have provided and may in the future provide to the Company investment or other banking services in accordance with their ordinary business.

The Sellers will sell Sale Shares in the Offering. For more information on the Sellers, see Annex A.

1. RISK FACTORS

An investment in the Company involves risks, which may be significant. The following describes the risks relating to the Offering, as well as the risks relating to Sitowise and its business and the Company's Shares. Many of the risks related to Sitowise and its business operations are inherent to its business and are typical in its industry. Potential investors should carefully review the information contained in this Offering Circular and, in particular, the risk factors described below.

Each of the risks presented may have a material impact on Sitowise's business, results of operations and financial position, and they may together or individually result in Sitowise failing to achieve its financial targets. Should these risks lead to a decline in the market price of the Shares, investors who have invested in them could lose part or all of their investment. The description of risk factors below is based on information available and estimates made on the date of this Offering Circular and, therefore, is not necessarily exhaustive. As a part of the assessment of the risk factors, the Company has considered the probability of the realization of the possible risks. Potential events that may or may not materialize are presented in the risk factors. Due to the uncertainty characteristic for these potential courses of events, the Company is unable to present an exact estimate for all the risks on the probability of such events materializing or failing to materialize.

The risks presented herein have been divided into eight categories based on their nature. These categories are:

- *A. Risks relating to the operating environment;*
- *B. Risks relating to Sitowise's business;*
- *C. Risks Relating to the implementation of Sitowise's strategy;*
- *D. Risks relating to Sitowise's management and employees;*
- *E. Legal, regulatory and compliance risks;*
- *F. Risks relating to IT systems and intellectual property;*
- *G. Risks relating to financing and financial position; and*
- *H. Risks relating to the Company's Shares and the Listing.*

Within each category, the risk estimated to be the most material on the basis of an overall evaluation of the criteria set out in the Prospectus Regulation is presented first. However, the order in which the risk factors are presented after the first risk factor in each category is not intended to reflect either the relative probability or the potential impact of their materialization. The order of presentation of the categories does not represent any evaluation of the materiality of the risks within that category, when compared to risks in another category.

In addition to the risks and uncertainties described herein, risks and uncertainties that are currently unknown or considered immaterial may have a material adverse effect on Sitowise's business or on the market price of the Shares.

A. Risks Relating to the Operating Environment

1. Adverse macroeconomic developments in Sitowise's core markets in Finland and Sweden, and in broader Nordic or global economic and financial market conditions could adversely affect Sitowise's operating environment and results of operations.

Sitowise is a Nordic expert in the built environment that offers sustainable design and consulting services for projects of all sizes. Sitowise serves customers within both the private and public sectors. Sitowise's net sales are mainly derived from the sale of services relating to design, engineering and project management to construction and renovation projects and planning, design and engineering relating to infrastructure projects as well as services relating to digital solutions for built environment. Sitowise's primary market areas are Finland and Sweden. The demand for Sitowise's services depends on the general economic conditions within the branches, industries and sectors to which Sitowise offers its services, which in turn are affected by macroeconomic factors in the countries and regions in which Sitowise operates. Adverse changes in Sitowise's core markets could result from e.g. low business investment and deterioration in business and consumer confidence leading to low consumer spending, employment trends, availability of credit and rising interest rates, inflation, increasing level of public debt or unfavourable changes in exchange rates. An example of an adverse macroeconomic development is the current outbreak of coronavirus pandemic, which is expected to have a material adverse effect on the Finnish and Swedish economies (see also "*– Global epidemics or pandemics may have a material adverse effect on Sitowise's business through, among other things, overall economic situation and deterioration of availability of financing, project interruptions and reduced economic activity of customers*" below). Changed market conditions due to, for example, weaker economic conditions, a reduced willingness to invest among customers, changed political prioritizations, delayed or cancelled infrastructure investments or projects, or consolidation among customers, may lead to lower demand for Sitowise's services and increase competition.

Construction companies are important customers in Sitowise's Buildings business area, which is Sitowise's largest business area measured in net sales, and approximately half of the net sales in the Buildings business area are related to new construction. Especially the construction market is cyclical by its nature. Increasing unemployment, changes in taxation, cuts in national and regional governmental spending as well as increase of interest rates on housing loans, potential restrictions set out by financial institutions providing loans for construction phase and difficulties in obtaining housing loans may have an adverse effect on the demand for new housing, which may also affect the demand for Sitowise's services in particular in the Buildings business area.

Approximately half of Sitowise's net sales are comprised of sales of services to the public sector. Any adverse development of the public sector's financial condition on both national and the municipal levels may have an effect on investments in public service buildings and infrastructure. Whilst the public sector investments to stimulate the economy may increase during periods of less favorable macroeconomic conditions, protracted economic downturns may also lead to low government spending. If Sitowise's customers within the public sector would decide or are required to reduce current or future investments within areas in which Sitowise offers services, this may reduce the demand for Sitowise's services, especially in its Infrastructure business area. See also "*– Risks relating to Sitowise's business – Sitowise derives significant net sales from customers in the public sector, which increases the risk of loss of customers, and public procurement tenders include specific competence or other requirements that may incur expenses and decrease Sitowise's profitability*" below.

Sitowise's results of operations depend on customer demand and the level of pricing and are thus sensitive to changes in external market conditions affecting customer demand and pricing of its services generally. A decreased demand for Sitowise's services would result in lower net sales, and Sitowise may not be able to adjust costs to respond to such decreases in demand. In a downturn, Sitowise may not be able to effect necessary workforce reductions, which may negatively affect the profitability of Sitowise's business operations. In addition, rapid changes in market conditions could make it more difficult for Sitowise to plan its operations and make future projections. Moreover, if Sitowise would be forced to terminate employees in order to adjust its costs, this may lead to a reduced ability to take on new, profitable assignments, adverse publicity, and deteriorate the relations with employee organizations.

Potential adverse developments in the macroeconomic conditions in Finland, Sweden, or elsewhere in the Nordics, or on a global scale, or continued uncertainty in the financial markets, could also reduce Sitowise's access to bank and capital market financing. Further, Sitowise may not be able to utilize the opportunities created by the economic fluctuations or Sitowise may not be able to adapt to a long-term economic recession or stagnation. Variations in macroeconomic factors and adverse economic developments in Finland and in Sweden, and in broader Nordic or global economic and financial market conditions may have a material adverse effect on Sitowise's business, financial condition, results of operations and future prospects.

2. *Global epidemics or pandemics may have a material adverse effect on Sitowise's business through, among other things, overall economic situation and deterioration of availability of financing, project interruptions and reduced economic activity of customers.*

A global epidemic or pandemic, such as the coronavirus pandemic ongoing at the time this Offering Circular, may have both direct and indirect impacts on Sitowise's business. The coronavirus pandemic has already had a significant impact on uncertainty in the global economy and financial markets, and a protracted pandemic may lead to a deeper or longer global recession. Uncertainty in the world economy and global financial markets, which may be exacerbated by pandemics or epidemics, undermines both corporate and consumer confidence in the economy and the future, and may reduce their economic activity, for example, by causing them to reduce or postpone investments. As a consequence of the coronavirus pandemic, in the first half of 2020 approximately 5 percent (measured by the value of the contract) of Sitowise's existing customer projects were put on hold, even if many of these projects have been reinitiated since then. In addition, the amount of new orders decreased temporarily and as a result, Sitowise negotiated temporary lay-offs, which were executed during the last quarter of 2020 and first quarter of 2021. The ongoing coronavirus pandemic has also decreased Sitowise's visibility to the timing of work for projects in the pipeline.

Respectively, Sitowise's customers' lower confidence in the economy and reduced economic activity may have a negative impact on Sitowise's future net sales, cash flow and liquidity. In addition, global epidemics or pandemics may have a significant impact on the access to financing for both Sitowise and its subcontractors and customers. Difficulties in obtaining financing may lead to delays in or the interruption of projects, or the cancellation or postponement of agreed projects. In the event of a prolonged coronavirus pandemic, deterioration in the financial position of Sitowise's private and public sector customers may lead to a fall in demand for Sitowise's services, slower-than expected trends in sales, and a fall in prices of its services.

In an attempt to revitalize the economy, many of the world's central banks and governments have issued support packages and programmes for companies and consumers affected by the coronavirus pandemic. However, it is uncertain whether these recovery measures are sufficient to deflect further economic downturns, and this may have a material adverse effect on demand and decision-making in Sitowise's core markets and the future prospects of both Sitowise and its customers. The full effects of the coronavirus pandemic ongoing at the date of this Offering Circular (including timing, duration and extent of impacts) on the global economy, the Finnish, Swedish or broader Nordic economies, Sitowise's business and Sitowise's customers are difficult to predict, especially since the pandemic situation and subsequent public administration's decisions and measures are changing rapidly.

Global epidemics or pandemics could have a material adverse effect on Sitowise's business, financial condition, results of operations and future prospects.

3. Increased competition may have an adverse effect on Sitowise's net sales and profitability.

Sitowise's industry is characterized by intense competition for the most attractive assignments and large number of competitors for smaller assignments. Competitive factors include expertise and reputation, brand recognition, customer relationships and references, as well as pricing. In order to compete effectively, Sitowise and its competitors must also implement new technology and continuously adapt and update its services and business model to prevailing technical conditions and trends. The competitive landscape especially in the Digital Solutions business area includes mainly IT experts but also other technical consultants with digital solutions capabilities.

In the Buildings and Infrastructure business areas in Finland, in the case of smaller assignments, Sitowise mainly competes with small and mid-sized local companies whose business can be limited geographically and in terms of capacity, and which often focus on offering specialist know-how within a particular area. In larger regional and national turnkey assignments, Sitowise competes with large, diversified and international companies with significant market shares, such as Sweco and Ramboll. In Sweden, Sitowise competes with the large amount of small and niche local technical consulting companies.

Competition can increase through individual, local companies expanding or advancing their market positions, either geographically or in terms of business area, or through consolidation of smaller companies. Competition can also increase if skilled employees or teams leave larger companies to start competing operations. On the other hand, some of Sitowise's national or international competitors benefit from a larger size and stronger economic resources compared to Sitowise and may be able to undertake larger projects and take additional financial and other risks. The competitive landscape is further aggravated by consortiums of competitors (including alliances) that may be able to provide services with better service offering and wider resources or more efficiently than Sitowise (itself providing services as standalone basis or as a consortium member). In the long term, technological and digital developments may also result in Sitowise being exposed to competition from companies that have not previously competed on the consulting and design services industry. Increased competition may have the consequence that Sitowise misses out on assignments or is forced to price its services less favorably.

Furthermore, failure by Sitowise to develop its offering and manage change may result in Sitowise's competitors reacting faster, more efficiently, or on more attractive terms than Sitowise to changing customer requirements and new technologies. Consequently, Sitowise could lose part of its market share to a competitor offering customers services better corresponding to their needs or at a lower price due to efficiently utilizing more advanced technology than Sitowise. In addition, certain customers, such as construction companies, or contractors, such as installation companies, may also choose to use their own resources, rather than engage an outside firm for the type of services Sitowise provides. Should Sitowise not succeed in adequately responding to the changes in its operating environment, this may lead to a loss of existing or prospective customers. See also "*– Risks Relating to Sitowise's*

Business – Sitowise may be unable to retain existing customers or to obtain new ones, which may have a material adverse effect on Sitowise's reputation, competitive position and results of operations" below.

A significant portion of Sitowise's assignments, particularly in Sitowise's Infrastructure business area, are assignments within the public sector, which involve procured contracts that are awarded following a tender procedure. These contracts often include framework agreements with the public sector which may encompass a several year's time period. The framework agreements are often built on a system where the parties to the framework agreement are ranked based on the results of the tender procedure, and the order in which individual assignments under such framework agreement are offered to each party is based on the party's relative position in the ranking. Consequently, the inability to secure a framework agreement with a customer or an unfavorable framework agreement with a customer may cause loss of business with such customer for several years. In projects with private sector customers, certain contracts are also awarded based on general tendering, in which the customer distributes an invitation to tender for a consulting project. Some of Sitowise's competitors may be prepared to offer their services at lower prices than Sitowise, to reduce personnel expenses, to accept lower profit margins, or to invest more capital in gaining or retaining customers. In addition, some of Sitowise's current or future competitors may have greater resources than Sitowise and use those resources to gain market shares at Sitowise's expense. Therefore, Sitowise may be forced to cut its prices in order to adapt to competitors' tenders.

The loss of customers and failure to secure assignments, lower sales or deteriorating profitability due to increased competition may have a material adverse effect on Sitowise's business, financial condition, results of operations and future prospects.

4. ***Sitowise may be unable to prepare itself for possible unfavorable developments in regulation or public policy, which may have a material adverse effect on Sitowise's operations.***

Sitowise has to comply with a wide range of laws and regulations enacted on both European and national level (including foreign countries), e.g. building regulations, health and safety regulations, environmental regulations, data protection regulations, public procurement, anti-corruption, anti-bribery, regulations restricting competitive trading conditions, labor regulations, competition regulations, as well as securities markets, corporate and tax laws. In addition, a large proportion of Sitowise's customers operate in sectors subject to highly complex and frequently changing regulation, and authorities, such as municipal authorities impose additional requirements for the services Sitowise offers. Such requirements may also differ vastly across jurisdictions or municipalities and result in obligations which are difficult to reconcile or even contradictory. Changes in the regulatory framework, sudden changes in established interpretations or practices by governments or other regulatory authorities or the loss of benefits associated with a status or an authorization could require Sitowise to adapt its business activities, re-design or re-engineer existing services, revise its strategy, or invest additional resources in ensuring compliance. Should Sitowise be unable to adequately instruct its personnel concerning the regulatory changes, it could also be involved in legal proceedings in the fields of law mentioned herein or with customers, suppliers, or other contractual parties.

Sitowise is also affected by possible changes in the objectives, allocations and conditions of public funding. Sitowise's customers within the public sector might, for political, financial or other reasons, decide to reduce current or future investments within areas in which Sitowise offers services. On the other hand, changes in the focus areas of public sector investments may also require reallocations or increases of investments in Sitowise's competences and offering development, which may have an adverse effect on Sitowise's profitability. Sitowise's profitability may be further adversely affected, if there is a shortage for the required know-how which may lead to difficulties in recruitment of qualified employees, resulting in possible salary inflation and higher personnel costs. The situation may be exacerbated by a possible public policy change concerning decrease in the number of students accepted to educational institutions producing graduates in fields relevant to Sitowise. Any of these factors could lead to a negative impact on Sitowise's results, an increase in its expenses, or a slowing or even halting of the development of its business activities.

B. Risks Relating to Sitowise's Business

1. ***Sitowise may be unable to correctly price or execute its projects which may render the projects unprofitable for Sitowise or damage Sitowise's client relationships.***

Sitowise's profitability depends on effective project management, where projects and assignments are priced correctly and where costs are calculated and monitored in a reliable manner. Pricing of the projects is based mainly on the estimation of hours that Sitowise's experts will spend on the project as well as estimated subcontracting and project costs. Accordingly, Sitowise is dependent on adequately estimating time expenditures and the costs of a project, assessing which resources are required for the assignment, sufficiently predicting the factors that can delay or adversely affect the performance of the assignment, and pricing its services in accordance with the estimates. However, unexpected increases in costs and project hours may render the project unprofitable for Sitowise, especially if Sitowise is unable to adjust the pricing in conjunction with rising costs by, for example, including or implementing index increases in the project agreements. On the other hand, constant requirements to increase billing targets may lead to increased stress among Sitowise's personnel, increase in sick-leaves, decreased productivity and increased wage demands.

Sitowise offers its services based on time-based billing with or without capped total costs or based on fixed price. About two thirds of Sitowise's net sales are derived from time-based billing, with an even higher proportion of time-based billing in its operations in Sweden. As a result of customer demand, Sitowise increasingly enters into customer agreements with fixed price or based on time-based billing with capped total costs. Agreements with fixed-price components expose Sitowise to risks inasmuch as it accepts a price for the assignment which is based on specified assumptions and estimates regarding the time expenditure and final cost for the assignment, which are made at the time when the agreement is entered into. When Sitowise enters into agreements with a fixed-price component, it also bears the risk that the costs and the profit realized from such an assignment may differ substantially from the original calculations. In the case of fixed-price agreements which extend over a long period of time, these risks are accentuated further. Failure to correctly estimate project-specific costs may also lead to pressure to compromise on the quality of Sitowise's services, which may damage Sitowise's customer relationships and reputation.

Sitowise's profitability also depends on effective project management. Failure in the project management may cause inefficient time allocation and lead to losses in productivity and difficulties in the delivery of services to Sitowise's customers. If Sitowise fails to deliver the services or projects it has undertaken to deliver, Sitowise may incur costs for rectifying shortcomings in its delivery, and this may also result in damage to Sitowise's reputation. Deficient project management may thus lead to significant additional costs or delayed performance of the project, and thereby affect the profitability of Sitowise's operations.

Failure to price and execute the projects correctly, or unexpected increases in costs and inability to adjust the pricing to respond to the increased costs or to invoice for extra work may have an adverse impact on Sitowise's profitability and liquidity.

2. ***Sitowise may be unable to retain existing customers or to obtain new ones, which may have a material adverse effect on Sitowise's reputation, competitive position and results of operations.***

Sitowise's customer base consist of public sector customers as well as construction companies, housing cooperatives and other private sector companies. Although Sitowise has good and long-standing relationships with a number of the key customers in the building and infrastructure sectors, there can be no assurance that Sitowise will continue to win tenders for new projects or work assignments from these customers. Any difficulties in the delivery of services to Sitowise's customers or failure by Sitowise to otherwise sufficiently maintain and facilitate its customer relationships may lead to customer dissatisfaction and result in Sitowise losing some of its customers to a competitor. Further, as larger projects usually comprise of various stages, any failure in assignment may cause losing the opportunity to win additional assignments relating to the other stages of the project. Such failures, even when caused by individual incidents, may also have an adverse long-term impact on Sitowise's reputation, which may affect its ability to obtain new customers. Furthermore, failure to develop Sitowise's offering and manage change may result in Sitowise's competitors reacting faster, more efficiently, or on more attractive terms than Sitowise to new technologies and changing customer requirements, and consequently Sitowise could lose some of its existing or prospective customers to a competitor. Should Sitowise be unsuccessful in competition with other service providers, recruitment of employees with a sufficient skillset or execution of its offering development actions in order to meet customer requirements and specifications, Sitowise may lose one or more of its key customers. Any loss of existing or prospective customers would reduce Sitowise's market share, net sales, growth opportunities or profitability, or render R&D expenses or investments obsolete causing Sitowise having to write off such investments.

Sitowise is dependent on key customers operating in certain key industries. These key customers include state agencies, such as the Finnish Transport Infrastructure Agency, large cities, and large construction firms. Approximately 33 percent of Sitowise's net sales were attributable to its ten (10) largest customers for the financial year ended 31 December 2020. Even though the decision-making on individual, unrelated projects with the same key customer may be scattered throughout the customer's organization, due to a large amount of sales being concentrated to a limited number of key customers, the loss of any one of the largest customers may in itself result in a significant decrease of Sitowise's net sales, as well as a loss of new business opportunities with a key customer or customers within the same industry. Moreover, the failure to meet the demands of key customers may damage Sitowise's reputation and reduce Sitowise's attractiveness as a business partner among other existing or prospective customers.

Accordingly, any inability to obtain new customers or retain existing ones could have a material adverse effect on Sitowise's business, financial condition, results of operations and future prospects.

3. Variations in customers' model agreements as well as strict clauses concerning guarantees, liabilities and termination may result in material adverse effects on Sitowise's profitability and reputation.

Sitowise seeks to use contractual means to limit the Group's contractual liability, where possible, but individual agreements may contain terms and conditions that vary from Sitowise's standard practices and may be detrimental to Sitowise, such as having to agree to increased caps on limitation to liability or assume liability for indirect damages. In addition, such contractual liabilities would likely be only partly covered by insurance policies, see also "*– If Sitowise incurs damage or loss which is not covered by insurance, or which is more extensive than the insurance coverage, this may have a material adverse effect on Sitowise's results of operations and financial position*" below. The emergence of these kinds of liabilities may result from factors or events that are outside Sitowise's control, including unavoidable delays from governmental inaction, public opposition, inability to obtain financing for the project, changes in the project scope of services requested by its customers, labor disruptions and other factors. Since the amount and extent of Sitowise's liabilities may not always be possible to effectively define and limit, and given the uncertain effectiveness of such contractual limitations, the realization of such liability may have considerable negative impacts on Sitowise. Even if vast majority of Sitowise's customer agreements are based on general conditions on consulting, some of Sitowise's customers may insist using their own model agreements that materially deviate from the agreements used in contracts between Sitowise and its other customers.

Differing agreement models may also require additional contracting know-how throughout the Group. If Sitowise is unable to acquire such knowledge and communicate coherent instructions throughout the Group related to new contracting practices, deviating contractual practices among Sitowise's customers may require Sitowise to spend additional time on the processing of the contracts which may lead to increased contracting costs.

In addition, shortcomings in fulfilling contractual obligations may lead to lower profitability, customer dissatisfaction and damage to Sitowise's reputation and potentially to customer loss. The issue concerning the loss of customers is exacerbated by potential short termination periods or "termination for cause" clauses included in model contracts, which may enable the customer to terminate the contract at short notice, leaving Sitowise little time to prepare its operations for the termination.

As a result, any risks related to the above contracting practices or the realization of risks relating to Sitowise's contractual liabilities could have a material adverse effect on Sitowise's business, financial condition, results of operations and future prospects.

4. Sitowise is dependent on maintaining high utilization rate, optimized hourly rates and a favorable capacity utilization structure.

Sitowise's profitability is dependent on its ability to maintain a high level of utilization rate as well as its ability to optimize hourly rates. A number of factors can affect the utilization rate of Sitowise. These include Sitowise's ability to transfer employees to new projects, the expertise and experience levels of the employees who perform services and assignments, the diligence of employees when reporting time spent on assignments, the state of the economy and market conditions within Sitowise's business areas affecting e.g. general demand for consulting work, as well as the type and size of performed assignments.

Whilst Sitowise also enters into customer agreements with fixed price or based on time-based billing with capped total costs, customer agreements with time-based invoicing continue to be important in its business. The hourly rate charged by employees is also an important factor for Sitowise's earnings. Accordingly, the actual hourly pricing entails risk exposure. If Sitowise fails to optimize invoiceable time relative to the total time when its employees are present, or fails to maintain well-considered and optimized hourly rates, this may have a material adverse effect on Sitowise's results of operations.

Sitowise's profitability depends on its ability to generate assignments to its employees, deliver high-quality services and maintain a favorable capacity utilization structure in which the employees' expertise and availability are utilized in an optimal way. Sitowise's ability to do this depends, in turn, on its ability to forecast the need for labor and to recruit personnel based on anticipated demand from customers, as well as its ability to secure assignments. However, Sitowise's assignments may vary considerably in size from few thousands to millions of euros, and the duration of the projects vary from few weeks to several months or years. Admittedly, when a major assignment is obtained, capacity utilization is secured for a longer period of time and assignment relating to one phase of a larger project may lead to further assignments for the same project. At the same time, however, vulnerability increases when a major assignment is completed, since work must be found in new assignments for a large number of employees simultaneously. Major undertakings also increase the risk exposure, both from a financial perspective and in terms of the quality of the project performance. The capacity utilization structure and thereby the invoicing rate are also affected by Sitowise's ability to switch employees from a project which has been delayed, discontinued or cancelled to new or other ongoing assignments, to address shortfalls in the business, and to match the expertise and experience of Sitowise's employees with different assignments and the customers' needs and expectations. If the employees' utilization rate is low, this will adversely affect Sitowise's net sales and profitability. By contrast, if the utilization rate is too high, this may result in employee fatigue, dissatisfaction and even resignations, which in turn may lead to a decreased productivity in Sitowise's operations. Finally, inability to manage employees' work hours, various remuneration and salary models or other aspects of the employment relationship may result in Sitowise's costs for providing services exceeding the net sales that it generates, or in Sitowise failing to achieve the originally calculated margins for a particular assignment or project.

Materialization of any of the above factors related to the invoicing rate, pricing and capacity utilization may have a material adverse effect on Sitowise's business, results of operations and financial position and future prospects.

5. Sitowise derives significant net sales from customers in the public sector, which increases the risk of loss of customers, and public procurement tenders include specific competence or other requirements that may incur expenses and decrease Sitowise's profitability.

Approximately half of Sitowise's net sales are derived from public sector customers, of which the majority of contracts are awarded through competitive public procurement processes. Preparation of bids in public procurement processes requires substantial costs, managerial time and effort from Sitowise. In addition, Sitowise's ability to negotiate certain contractual terms and conditions is usually limited due to the nature of and regulations concerning public procurement. The contract notices may impose specific and burdensome requirements on the tender participants, project specifications, service quality, or the tender participant's certifications. Investments to fulfil these requirements may not be recouped if the tender is not won, and a failure to fulfil the requirements may restrict Sitowise from participating in tenders at all, or could force Sitowise to forfeit a tender already won.

Due to a large amount of sales being based on framework agreements with the customers in the public sector, a failure to win the tender process when any one of these framework agreements are renewed may result in a significant decrease of Sitowise's net sales, as well as a loss of new business opportunities with the customer. Moreover, any failure to meet the demands of customers in the public sector may damage Sitowise's reputation with other existing or potential customers. See also "*– Sitowise may be unable to obtain new customers or retain existing ones, which may have a material adverse effect on Sitowise's reputation, competitive position and results of operations*" above.

In addition, the purchasing power of Sitowise's customers within the public sector may decline as a consequence of political decisions such as public austerity measures. See also "*– Risks relating to the Operating Environment – Adverse macroeconomic developments in Sitowise's core markets in Finland and Sweden, and in broader Nordic or global economic and financial market conditions could adversely affect Sitowise's operating environment and results of operations*" above. There is also a risk that Sitowise's customers within the public sector might, for political, financial or other reasons, decide to reduce current or future investments within areas in which Sitowise offers services. A changed investment level on the part of Sitowise's public sector customers may lead to decreased demand for Sitowise's services and increased competition for the remaining contracts.

If Sitowise is unsuccessful in the public procurement processes it participates in, prices its services too aggressively in the procurement processes or is unable to expand its sales to public sector customers to the extent intended, this may limit Sitowise's growth opportunities and impair its profitability. Even if Sitowise would be awarded contracts, expenses and delays may also arise if competitors protest or challenge awards made to Sitowise pursuant to tendering processes. Changes in the focus areas of public sector investments may also require reallocations or increases of investments in Sitowise's competences and offering development, which may have an adverse effect on Sitowise's profitability.

Any failure in tender processes, costs related to procurement processes or loss of public sector customers or changes to the investment decisions of the public sector could have a material adverse effect on Sitowise's business, financial condition, results of operations and future prospects.

6. Increases in operating costs may have a material adverse effect on Sitowise's profitability, results of operations and its ability to recruit employees.

Due to the characteristics of Sitowise's business, personnel expenses are Sitowise's largest cost item. The primary factors that affect Sitowise's personnel costs are the competence level and experience of the employees, compensation levels at competitive employers, general economic conditions, agreed salaries in collective bargaining agreements and the level of taxes, fees and pension. In order to be able to attract employees with the competence and experience required, Sitowise needs to offer competitive compensation levels. However, increased compensation would adversely affect Sitowise's profitability and results of operation if Sitowise is unable to adjust the pricing of its services accordingly. Conversely, if Sitowise offers too low compensation levels, it may lead to problems with recruiting new employees or retaining the existing ones due to the vigorous competition for qualified employees in Sitowise's industry. Further, if Sitowise fails to recruit or retain sufficient number of qualified employees, it would need to use increased amount of subcontracting to carry out its services, which could increase its cost base. Increases in the salaries and other personnel expenses in the industry would result in significant additional costs for Sitowise, which would decrease the profitability of its operations or negatively affect its ability to retain and recruit employees.

Other material operating expenses include costs for software and IT services. Sitowise's ability to provide services is dependent on its IT and software suppliers meeting Sitowise's and its customers' expectations related to specifications, quality, timing and cost-efficiency of the products or services. In case one or several agreements with Sitowise's IT suppliers would be terminated or renegotiated on terms that are less beneficial for Sitowise, this could result in increased costs.

Sitowise operates its business through leased premises in Finland, Sweden, Estonia and Latvia. The premises leased by Sitowise are used primarily as offices. In order to optimize its geographical positioning, Sitowise may seek to exit certain leases and obtain new leases in new locations that provide similar terms than the existing agreements. If Sitowise is not able to negotiate favorable lease terms in the future, this may increase Sitowise's tenancy costs.

Increase in labor or other operating costs may have an adverse effect on Sitowise's competitive position or profitability, which may have adverse effect on projects' profitability and, thus, Sitowise's business, financial condition and results of operations.

7. Sitowise is exposed to risks related to its reputation and brand, and problems with Sitowise's external communication may have a material adverse effect on Sitowise's corporate culture, reputation and recruitment of new employees.

Sitowise is dependent on its reputation and brand to secure project and assignments and to successfully and effectively carry out marketing, sales, recruitment and acquisition strategies. Sitowise's reputation and brand perception depend, among other things, on the quality, security and reliability of its services as well as its ability to implement corporate social responsibility targets and policies in Sitowise's business operations. Sitowise must be proactive and maintain its reputation and brand in contacts with a number of different stakeholders, including subcontractors, partners, customers, employees, student organizations, universities and colleges, as well as Sitowise's shareholders. The risk of a weakened reputation, adverse publicity about Sitowise's business (irrespective of whether it is true or false) and failed external communication may thus lead to loss of customers and reduced net sales.

Sitowise has set a vision to be the most sustainable and responsible partner in the industry in developing a prosperous living environment. The efforts undertaken in relation to fulfilling sustainability requirements as well as being acknowledged for sustainability work aim to associating the Sitowise brand with sustainability, and Sitowise expects to continue leveraging its brand recognition going forward. However, Sitowise may fail to implement corporate social responsibility targets and policies in its business operations due to e.g. inadequate resources for monitoring and implementing responsibility aspects, lack of motivation and/or necessary know-how regarding sustainable business practices in the organization and changing customer needs concerning responsible business practices. Any adverse publicity relating to Sitowise's sustainability or failed communication related to Sitowise's impact on the environment and climate may damage its reputation. Sitowise's ability to retain and attract employees could also be adversely affected by such reputational damage. See also "*– Risks Relating to Sitowise's Management and Employees – Sitowise's inability to retain and recruit employees may have a material adverse effect on Sitowise's net sales and results of operations*".

In addition, any negative events, adverse publicity or non-fulfilment of expectations may damage Sitowise's reputation even if Sitowise is not directly involved and such events or such publicity may also relate to its executives, subcontractors or other partners. Finally, adverse publicity and failed communication regarding violations of laws or regulations and failure to perform contractual undertakings or meet deadlines may damage Sitowise's reputation and brand, and thereby reduce the confidence that customers and other stakeholders, including current or future employees, have in Sitowise.

Unfavorable publicity concerning Sitowise or problems with its external communication may have a material adverse effect on Sitowise's business, financial condition, results of operations and future prospects.

8. If Sitowise incurs damage or loss which is not covered by insurance, or which is more extensive than the insurance coverage, this may have a material adverse effect on Sitowise's results of operations and financial position.

Sitowise is dependent on being able to maintain adequate insurance coverage at a reasonable cost. Sitowise carries insurance for liabilities relating to its projects and may take additional insurance relating to individual projects. Further, Sitowise has other insurances, such as for cyber security threats, accidents, business premises and cars and health insurance. The scope of Sitowise's insurance coverage, for example relating to consulting liability, may be insufficient to cover all risks that may arise within the scope of Sitowise's operations. There are also certain types of losses that are not covered by Sitowise's insurance coverage, either because they are not deemed insurable or because they are excluded from applicable insurance contracts. As regards consulting liability insurances, these may include indirect losses, damages caused by the delays of Sitowise, liability to third parties or private claims where the insured event has occurred intentionally or through gross negligence or criminal activity. Moreover, Sitowise's insurance contracts contain limits with respect to the maximum indemnification amount. In addition, it is not possible to insure against damage to reputation. Thus, there is a risk that a claim on compensation under Sitowise's insurance contract cannot be met in full or on time, that the scope of the insurance coverage will not be comprehensive in a particular respect, or that the insurance premium will be raised appreciably. If Sitowise incurs damage or loss which is not covered by insurance, or which is more extensive than the insurance coverage, this may have a material adverse effect on Sitowise's business, results of operations and financial position.

9. Defects and delays in the operations of Sitowise's subcontractors may have a material adverse effect on Sitowise's reputation, results of operations and financial position.

Sitowise collaborates with subcontractors and other partners during the various phases of a project. Typically, the outsourcing or subcontracting includes research and expert services, such as laboratory analysis, leased equipment, material purchases or specialist services that Sitowise does not offer or have capacity to offer. However, Sitowise may not be able to correctly evaluate and select its subcontractors. Subcontractors may fail to deliver on time or in accordance with the level, cost structure or quality that Sitowise expects. Sitowise's subcontractors may also cease to deliver services to Sitowise due to an inability or unwillingness to deliver, or may increase prices significantly. Disruptions that affect Sitowise, including delays or terminations of agreements or the inability of subcontractors to deliver services within a prescribed time or at an acceptable cost, can also lead to disputes regarding the customer's claim to compensation for any damages caused by Sitowise. A subcontractor may in some cases be financially unable to compensate for the errors it has committed, in which case Sitowise may be liable for the loss without being able to seek compensation from the subcontractor. In some projects, Sitowise may also in general be held liable for any faults caused by its subcontractor, even if Sitowise had fulfilled all of its obligations concerning the supervision of work performed by the subcontractor or their personnel. As a result, Sitowise may be suspended from projects or work assignments, and may be presented with damage claims concerning errors or faults in the planning, organization, or quality of work. In addition, actions or omissions by subcontractors may damage Sitowise's reputation. Consequently, defects and delays in the operations of Sitowise's subcontractors may have a material adverse effect on Sitowise's reputation, business, financial condition, results of operations and future prospects.

10. Failure to successfully carry out international projects may have a material adverse effect on Sitowise's reputation and financial position.

Sitowise operates mainly in Finland and Sweden, but from time to time it also provides its services to projects or customers that are located outside these countries. However, unfamiliarity with foreign culture and regulations, language barriers, or difficulties in monitoring and measuring of these operations relating to international projects may cause unexpected costs, delays or failure to carry out such international project successfully, which may also impair Sitowise's profitability considerably. Such project may consume significant resources, including time of the management. In addition, Sitowise may be subject to numerous, and sometimes even conflicting, laws, rules, practices, and discretionary powers of authorities or conduct business activities in certain jurisdictions or with a counterparty which may be subjected to sanctions. Any failure to comply with applicable laws and other standards could expose Sitowise to fines and/or criminal or economic sanctions, cause unfavorable publicity and reputational damage to Sitowise, restrict Sitowise's operations or tendering, or give rise to claims of non-performance of Sitowise's contractual obligations and related penalties. As a result of such factors, Sitowise has been compelled to withdraw from some of its international projects and customer contracts in individual cases, and it may also face similar challenges in the future.

Operating internationally also exposes Sitowise to other risks, such as unfavorable political changes, unforeseen legislative changes, inconsistent application of existing laws and regulations, unclear regulatory systems and tax systems, as well as different cultures, methods and routines for business operations. If Sitowise conducts intra-group transactions between units located in the different countries, Sitowise may be exposed to the transfer pricing risks, as authorities may question the conformance of the transfer pricing rules followed by Sitowise. The agreements with foreign customers can also expose Sitowise to potentially longer payment cycles, difficulties in securing payment of accounts receivables, and thereby an increased risk of credit losses.

Failures in the international projects or international operations may have a material adverse effect on Sitowise's reputation, business, financial condition, results of operations and future prospects.

C. Risks Relating to the Implementation of Sitowise's Strategy

1. Sitowise may fail to implement its strategy successfully or its strategy may prove to be misaligned in relation to prevailing market conditions and trends, which may have a material adverse effect on Sitowise's profitability.

Sitowise manages its business operations in line with its strategy, as discussed under section "*Business of the Company – Strategy*". However, there can be no assurance that Sitowise will be able to execute its strategy successfully or that the strategy will be competitive in short or long term. Many factors related to Sitowise's strategy, and to Sitowise's ability to maintain its margins and internal efficiency, are fully or partially beyond Sitowise's control. For instance, demand for Sitowise's services or the general development of the economy may experience changes that will have a material adverse effect on the execution of Sitowise's strategy and, therefore, also on Sitowise's financial position.

Even if the strategy would be competitive, the strategy may not be implemented according to plan. Sitowise may not be able to successfully execute its strategy in the rapidly changing business environment, and may be unable to recoup investment costs or may incur opportunity losses, fail in change management, reskilling ability and speed, or lack the agility to respond to new entrants in the market. Due to possible insufficient resources, management, monitoring and planning, Sitowise may fail in executing its key strategic development projects. Furthermore, Sitowise may fail to properly communicate its strategy inside the Group, causing a possible misalignment between its strategy and actual management and performance. This would potentially lead to a lack of clear and uniform target-setting inside the Group, which could materially decrease the productivity of Sitowise's operations. Such lack of clear targets may also adversely affect the motivation among Sitowise's employees, which may lead to employee dissatisfaction, possible resignations and difficulties in recruiting. Sitowise's strategy may also prove to be misaligned with prevailing trends or rapid changes in the market. Large-scale adaptations to changing markets, such as by organizational transformation and appropriate sizing of the business, may also create resistance to change, which may prolong the transition and adversely affect operational efficiency. In addition, cultural differences inside the organization may present barriers to introducing new ideas or aligning Sitowise's strategy throughout the organization, hampering the implementation of the strategy.

A number of factors, including the other risk factors described in this Offering Circular, could prevent Sitowise's strategy from being met in full or in a prompt manner and could prevent or restrict Sitowise from pursuing new business opportunities, achieving its key strategic initiatives or meeting the demand for its services from its existing or future customers. Should Sitowise fail to implement its strategy successfully or should its strategy prove to be uncompetitive or misaligned in relation to prevailing market conditions and trends, it could have a material adverse effect on Sitowise's business, financial condition, results of operations and future prospects.

2. ***Sitowise's planned growth through acquisitions may not be realized in full or at all if suitable targets are not available for sale, the transactions cannot be executed at an economically justifiable valuation or if the acquisitions include contingent liabilities that have not been reflected in the acquisition price. Furthermore, Sitowise is exposed to legal risks and risks relating to the integration of acquired or to be acquired companies, which may result in increased costs, failures to realize synergies and losses of growth opportunities.***

Sitowise aims to continue growing through selective M&A, both in Finland and Sweden, and potentially in other Nordic countries in the future. Selective M&A is part of the growth strategy in all of the business areas: Sitowise aims to strengthen its offering and presence in selected customer segments in the Buildings and Infrastructure business areas, and to grow capabilities in the Digital Solutions. In addition, acquisitions are an important part of the expansion plan in Sweden. However, Sitowise may be unable to identify suitable acquisition targets or carry out acquisitions at an economically justifiable valuation due, for example, to competition from other purchasers or lack of financing. Should Sitowise fail to identify appropriate acquisition targets, Sitowise's expansion and growth possibilities may be adversely affected.

Mergers and acquisitions also carry risks related to the integration of new businesses and employees. Dissatisfaction may arise among personnel of both the acquired and acquiring company, which ultimately may result in key employees choosing to terminate their employment. In addition, Sitowise may incur significant acquisition costs as well as restructuring and other costs in connection with mergers and acquisitions. Even if Sitowise's target has been obtaining complementary service offering and capabilities and wider geographical reach by the acquisitions, it may in the future also execute acquisitions where anticipated synergies cannot be realized, turn out to be smaller than anticipated, or that additional integration costs are incurred, which may render the acquisition unprofitable for Sitowise. Sitowise may also be required to impair goodwill or other intangible assets that arise in conjunction with acquisitions (see also "*– Risks Relating to Financing and Financial Position – Potential future impairments of goodwill may have a material adverse impact on Sitowise's financial position and result*" below).

Sitowise may be unable to harmonize the acquired companies' operational models in a bigger and more complex group structure and integrate them into Group's processes, decision-making, management systems and corporate culture. The existing corporate culture, values and working methods in the acquired company may conflict or turn out to be incompatible with Sitowise's existing ones. Inability to unify the corporate culture may also lead to adverse internal competition between the Group companies and business units, leading to a possible loss of efficiency and synergies. Furthermore, Sitowise may fail to properly communicate its strategy to the acquired companies causing its possible ununiform implementation. This would potentially lead to a lack of clear and uniform target-setting within the Group, which could materially decrease the productivity of Sitowise's operations. Such lack of clear targets may also adversely affect the motivation among the Group's employees, which may lead to employee dissatisfaction, possible resignations and difficulties in recruiting. In addition, Sitowise may be unable to integrate the acquired companies under the Sitowise brand, and thus the net sales of the acquired company may fall short of its targets. In addition, any acquisitions may require considerable resources from Sitowise's management and result in inefficient time allocation, such as excessive management attention to resource-consuming internal matters and acute disruptions or to optimizing operations of an individual unit at the expense of optimizing the Group's aggregate productivity.

Furthermore, there is a risk that the due diligence that Sitowise conducts will fail to identify some of the information needed to make correct decisions from a strategic, financial or legal perspective. Future mergers and acquisitions may also lead to further indebtedness and contingent liabilities, and expose Sitowise to unknown obligations. In connection with acquisitions, the acquired company's liabilities are usually assumed in addition to the acquisition of all of its assets. There is a risk that it has not been possible to identify all potential obligations or commitments prior to the acquisition or that the seller (in the event Sitowise has been given warranties) lacks the financial ability to compensate Sitowise for any breach of warranty. If Sitowise fails to receive compensation for such obligations or commitments, Sitowise may incur significant costs. Completed and future divestments of businesses can also expose Sitowise to risks that, among other things, follow from the terms for the sale of the relevant business, such as warranties, compensation for loss and representations to the benefit of the buyer with respect to the divested business. Acquisitions may also result in disputes and legal claims. In connection with the acquisitions, Sitowise has also issued new shares for a valuation that have been agreed in commercial negotiations between the parties. As a consequence of the acquisitions, disagreements may also arise concerning the valuation of the shares between the parties and/or by tax authorities.

Future mergers and acquisitions may require new external financing and increase Sitowise's indebtedness. Such financing may not be available on commercially favorable terms or at all. Sitowise may also choose to carry out share issues in order to fully or partially finance the acquisitions. In the event the acquisitions are financed by issuing new shares, this will result in dilution of the holdings of existing shareholders.

Any of the above-mentioned factors may adversely affect Sitowise's ability to implement its growth strategy.

3. ***Sitowise must continue to develop its internal control systems and other internal systems and processes to match its growth and acquisition strategy, and any deficiencies in internal systems may damage Sitowise's reputation or result in additional costs.***

Sitowise's internal systems, policies, routines, processes and evaluation methods are continuously developed to adequately support Sitowise's operations, its growth and the integration of its acquired businesses. Sitowise's internal control systems, which are used to assess and manage risks, may, however, not effectively address all types of risks. Risks can manifest themselves in many ways, including business interruption, poor performance, IT system malfunctions or failures, non-performance from subcontractors, breach of applicable laws and regulations, human errors, employee misconduct or internal and external fraud. The internal control systems are subject to inherent limitations, including human error, and thus it is possible that these control systems could be intentionally circumvented or become inadequate because of changed conditions. Therefore, internal control systems may not adequately identify all risks or may not properly assess the impact such risks may have. As a result, Sitowise may suffer financial losses or damage to its reputation.

In the last 10 years, Sitowise (or, prior to their merger, Wise Group Finland Oy Sito Oy) has made over 50 acquisitions. As a result of acquisitions, there might be a lack of uniformity in operational models within the Group. In Sweden, Sitowise's reporting systems, used platforms and project monitoring need to be further integrated as the companies Sitowise has acquired still largely rely on their pre-acquisition systems. For example, Sitowise plans to implement its digital collaboration platform Voima in its operations in Sweden in the coming years. If Sitowise is not successful in executing its implementation of uniform standards, controls, procedures and policies in a timely and cost-effective manner, it may not be able to achieve its growth and profitability objectives. In addition, lack of uniformity in the internal systems and processes within the Group, inadequate descriptions of and instructions concerning systems and processes as well as insufficient compliance with the instructions concerning systems and processes may lead to difficulties in developing them in the future, decreased productivity in Sitowise's operations and dissatisfaction among personnel. Moreover, if Sitowise fails to meet the required quality standards of any of its customers due to insufficient and/or ununiform internal systems and processes, Sitowise could damage its reputation for quality and service. Any such failure could lead to increased costs or lost net sales or could require reimbursements to its customers, damage to and possibly termination of existing customer relationships. Difficulties associated with the Sitowise's systems and processes could thus impede Sitowise's ability to meet its near-term and long-term business targets.

Deficiencies in internal systems may have a material adverse effect on Sitowise's business, financial condition, results of operations and future prospects.

D. Risks Relating to Sitowise's Management and Employees

1. ***Sitowise's inability to retain and recruit employees may have a material adverse effect on Sitowise's net sales and results of operations.***

Sitowise's most important success factor is human capital. Sitowise's ability to perform project undertakings, deliver advanced consulting services and secure new assignments is thus largely dependent on its ability to retain and recruit and motivate skilled employees, such as qualified design engineers, project managers, branch managers as well as senior executives. The growth and profitability of Sitowise's future business activities depends on the successful retention of its employees as well as Sitowise's ability to hire the required number of new industry trained and skilled individuals. The employees' expertise and ability to translate their knowledge into optimal solutions for the customers is at the core of Sitowise's business.

Due to various potential factors, such as solicitation by competitors, insufficient compensation and benefits offered by Sitowise, failure to ensure employee commitment, and possible frustration caused by frequent changes in the working environment, there is a risk of skilled employees leaving Sitowise and moving to competitors or customers, or starting their own business. Should Sitowise fail to retain skilled personnel, this may cause Sitowise to lose critical know-how and thus make it more difficult for Sitowise to secure assignments and deliver services of the quality and quantity that its customers expect. Deficiencies in know-how can result in low quality in customer deliveries, decreased productivity of Sitowise's operations and increased stress among personnel due to the lack of adequate human resources. If substitutive employees cannot be recruited in a reasonable amount of time, loss of key employees may also lead to a decrease in the productivity in Sitowise's operations and exacerbate the loss of employees. A high employee turnover in general could also cause delays or quality failures in customer projects, or damaging Sitowise's reputation. Moreover, non-compete clauses in employment agreements of key employees may prove to be inadequate or non-enforceable. This risk is accentuated in the event leaving employees, who may be familiar with Sitowise and its business models and customers, also take other skilled employees with them. This may lead to a future shortfall in net sales and make it more difficult for Sitowise to complete ongoing assignments.

Further, there is significant competition for employees who possess the skills needed to perform the services that Sitowise offers, especially since also companies outside Sitowise's immediate field of business, for example installation companies and IT firms, compete for these employees. Sitowise also recruits new employees through its internship program, "NextGen", and for example decrease in the number of students accepted to educational institutions producing graduates in fields relevant to Sitowise may lead to difficulties in recruitment of qualified employees.

If Sitowise fails to retain and hire new qualified personnel on reasonable terms, for example in terms of compensation, this could lead to increase in Sitowise's personnel expenses and adversely affect Sitowise's profitability. Profitability may also be impacted by recruitments to specific businesses of Sitowise being disproportionate in relation to changing customer demands and the transformation of the business mix, resulting in sub-optimal utilization rates in some businesses and shortfalls of skilled personnel in others. In addition, if the turnover of employees is high, this may have a negative impact on the quality of services provided by Sitowise.

Inability to retain and recruit employees may have a material adverse effect on Sitowise's business, financial condition, results of operations and future prospects.

2. ***Failure to monitor and ensure the well-being of Sitowise's employees may have an adverse effect on Sitowise's work atmosphere, result in increased absences due to sickness, and cause difficulties in the delivery of services.***

Sitowise's most important success factor is human capital. Sitowise's ability to perform project undertakings, deliver advanced design and consulting services and secure new assignments is thus largely dependent on its employees. Accordingly, well-being of its employees is one of the three focus areas highlighted in Sitowise's sustainability programme, as it is integral to the employees' optimal work performance and productivity and consequently the profitability of Sitowise's operations. However, if Sitowise is not able to adequately monitor and ensure the well-being of its employees by, for example, supporting coping at work, flexibility in different life situations and providing trainings both for the development of skills and for obtaining tools for coping at work, it may restrain them from achieving a sustainable level of high performance and have an adverse effect on Sitowise's work atmosphere. Recently, special arrangements during the coronavirus pandemic such as remote work and reduced contact between employees have proven to be a significant challenge for monitoring and supporting the well-being of employees. Should there be a decline in the well-being of Sitowise's employees, it may cause deterioration in Sitowise's work atmosphere, increased absences of employees, decreased productivity in Sitowise's operations, loss of employees, and thus difficulties in the delivery of services to Sitowise's customers. Any difficulties in the delivery of services to Sitowise's customers may lead to customer dissatisfaction and result in Sitowise losing some of them to competitors.

Sitowise is also subject to a risk of its employees being in work-related accidents that may lead to personal injuries and absences due to sickness. Such accidents may be caused by a variety of reasons, such as accidents at building sites as regards those employees who visit the sites during the project, slips, and accidents during journey to or from work. Any breach of health and safety legislation related to Sitowise's operations, failure in compliance with the guidelines issued by health and safety authorities and/or incidents affecting the occupational safety of Sitowise's employees may lead to, among others, costs related to premature disability pensions and ensuring compliance with legislation and regulations in the future, reputational damage, claims for damage and sanctions based on criminal law.

3. Sitowise is subject to risks of adverse employee relations and labor disputes, and this may result in increased costs for Sitowise and/or lower flexibility of its operations.

Although Sitowise believes its relations with employees and unions are good in general, unsuccessful management of employee relations or disagreements with employee representatives could result in disrupting Sitowise's operations. Sitowise does not currently have any local agreements or other collectively agreed arrangements with its employees as there has not been mutual understanding with the employee representatives about e.g. deviations to the provisions of the collective bargaining agreements. Further, there have been two specific topics of disagreement between Sitowise and the Finnish employee representatives, one of which has led to a memorandum of dispute that has been submitted to the labour organization, and the other of which led to a settlement which was reached in March 2021. Whilst Sitowise's view is that it operates within the confines of applicable collective bargaining agreements, any disagreement on the interpretation of the applicable labour regulations or collective bargaining agreements could, depending on the nature of the disagreement, result in claims, and if Sitowise would be deemed to be in breach of such requirements, to substantial compensations. Should any discussions on workforce reductions become relevant in the future, this could lead to concerns and restlessness among the employees. Any potential plans to develop or restructure certain aspects of Sitowise's business would be subject to the applicable national information and consultation obligations which may affect to some extent Sitowise's ability to restructure its operations and organization or entail additional costs. Dissatisfaction among employees could have adverse impacts on Sitowise's operations if it materialized, for instance, in the form of work-slowdowns, as well as an adverse effect on Sitowise's reputation in the relevant labor market.

A large number of Sitowise's employees in Finland and in Sweden are represented by labor unions, and several collective bargaining agreements apply to a large number of Sitowise's employees, and will, as typical, be subject to renegotiations in the near future. Renegotiation of collective bargaining agreements may result in salary inflation or otherwise increase Sitowise's employment-related costs. On the other hand, should the labor organizations collectively representing Sitowise and other employers in its industry not be able to renegotiate collective bargaining agreements when they expire, there would be a higher risk of labor disputes, such as strikes and other industrial action, which may interrupt or disrupt Sitowise's business operations. Furthermore, Sitowise must inform, consult with and/or request the consent or opinion of the employee representatives or works councils in developing or restructuring certain aspects of its business, which may postpone such restructuring efforts of its operations and organization and thereby entail additional costs. Sitowise's customers and suppliers may also be subjected to their own labor disputes or industrial actions, which may then result in delays and project overrun costs. This could also increase costs incurred by Sitowise and have a negative impact on its profitability.

Deterioration in employee relations, failures in negotiations with the personnel or industrial actions affecting Sitowise or its customers could, if materialized, have a material adverse effect on Sitowise's business, financial condition, results of operations and future prospects.

E. Legal, Regulatory and Compliance Risks

1. Defects, such as design errors, in Sitowise's projects may lead to substantial claims for compensation, and any such claims or legal or other regulatory proceedings could have a material adverse effect on Sitowise.

Sitowise has a major responsibility to supply services which meet customers' requirements and expectations as to quality, performance and scheduling, and in compliance with prevailing legislation. Therefore, Sitowise's services must meet certain requirements as regards time, quantity or quality which are agreed upon with the customer when entering into the agreement or during the course of the project, and claims or other demands may be made against Sitowise if services that Sitowise performs are, or are alleged to be, incorrect or poorly executed. Defects in Sitowise's services may result from various reasons, for example time constraints especially in large-scale projects or Sitowise's inability to adequately ensure the necessary know-how among its personnel. In addition, Sitowise's contracts may include clauses concerning contractual penalties or penalties related to data security issues. Compensation risk is managed through liability insurance and limitation of liability clauses in customer agreements. See also "*– Risks Relating to Sitowise's Business – If Sitowise incurs damage or loss which is not* *covered by insurance, or which is more extensive than the insurance coverage, this may have a material adverse effect on Sitowise's results of operations and financial position*" and "*– Risks Relating to Sitowise's Business – Variations in customers' model agreements as well as strict clauses concerning guarantees, liabilities and termination may result in material adverse effects on Sitowise's profitability and reputation*". Sitowise records provisions relating to the compensation claims in its bookkeeping in accordance with IFRS where necessary. However, there can be no assurance that the recorded provisions would be sufficient in all circumstances to cover the damages potentially incurred by Sitowise. Any claims, even if successfully resolved without direct adverse financial effect, could have a material adverse effect on Sitowise's brand and reputation and divert its financial and management resources from business development as well as other purposes that are of more beneficial uses to Sitowise's business. In addition, some joint projects are based on alliance contracts, which may include clauses with untested contractual obligations. If Sitowise were to be found liable for any claims relating to service deficiencies, this may lead to unexpected fines, payments or damages, which would incur additional costs.

Sitowise may also be subject to other legal or regulatory proceedings or claims relating to its operations. In the normal course of its business operations, Sitowise is the subject to complaints, and sometimes litigation, from its customers. Sitowise's customers' claims against Sitowise may result in legal proceedings, which, in turn, may result in Sitowise being obligated to pay damages or give price reductions. See also "*Business of the Company – Complaints*". Consequently, there can be no assurances that Sitowise will not become involved in the future in a legal, administrative or arbitration proceeding that could have a significant effect on Sitowise's financial position or profitability.

Such proceedings may become expensive and time-consuming and create negative publicity for Sitowise. It is inherently difficult to predict the outcome of legal, regulatory and other adversarial proceedings or claims, and there can be no assurances as to the outcome of such proceedings or claims, whether existing or arising in the future. Any legal or regulatory proceedings or claims against Sitowise could thus have a material adverse effect on Sitowise's business, financial condition, results of operations and future prospects.

2. Sitowise may be unable to comply with the requirements concerning data security and privacy which may lead to monetary sanctions and damage Sitowise's reputation.

In its operations, Sitowise processes personal data regarding, among others, its employees, partners and customers. Such processing of personal data is subject to extensive data protection laws and regulations which have been adopted to protect the privacy of the individual, which also affects demands as to how Sitowise's operations are conducted. On 25 May 2018, Regulation (EU) 2016/679 (the General Data Protection Regulation, "**GDPR**") entered into force within the EU. GDPR imposes changes to the EU's previous data protection regime and strengthens the rights of individuals, imposes stricter demands on companies that process personal data, as well as much stricter sanctions with administrative fines of up to the highest of EUR 20 million or 4 percent of the company's annual global turnover. Sitowise is required to allocate resources for compliance with GDPR and other legislation governing the processing of personal data and may, in the future, incur additional expenditures and costs for establishing systems, IT controls and routines to support the work of compliance with applicable data protection legislation. The implementation of GDPR has also attracted significant attention from legislators, the media and investors. Violations of GDPR or other data protection legislation may result in Sitowise being required to pay damages to third parties and significant fines and may otherwise damage Sitowise's reputation.

Further, in some of Sitowise's customer projects, the customers may have specified requirements for information security. The most common example on specified requirements is governmental clients, where the need for specified requirements is a direct result from legislation, such as Government Decree on Security Classification of Documents in Central Government (1101/2019, as amended).

Non-compliance with data protection laws and related obligations in customer contracts also carry a risk for contractual claims, which may include claims for compensation for fines imposed on the customer allegedly caused by Sitowise's breach of contract. Moreover, Sitowise may be unable to participate in certain public tenders or competitive bidding processes due to inadequate ability to respond to the data security requirements set out in the terms of the tender or bidding process, resulting in loss of net sales. As a result, inability to comply with the requirements concerning data security and privacy could have a material adverse effect on Sitowise's business, financial condition, results of operations and future prospects.

3. *Violations of laws, regulations and standards may lead to significant fines and other sanctions as well as reputational damage.*

Sitowise is dependent on compliance with laws and regulations by the Group and its employees, subcontractors and partners. Improper or fraudulent behavior or violations of, or deficient compliance with, laws and regulations may adversely affect Sitowise's business and reputation. Such behavior may, for example, include failure to comply with laws and rules relating to public procurement, competition law, protection of classified information, rules prohibiting bribery and other types of corruption, rules which affect the pricing of labor and other costs in governmental contracts, rules governing lobbying activities, rules with respect to the internal control over the financial reporting, environmental law rules, and other applicable laws and regulations. Sitowise has during its operations carried out an internal investigation of the suspected abuse or allegation relating to a project carried out by Sito Rakennuttajat Oy, which however did not give rise to any criminal action. Sitowise may also conduct business activities with a counterparty which may be subjected to sanctions. These risks are emphasized when operating internationally or with foreign customers, see "*– Risks relating to Sitowise's business – Failure to successfully carry out international projects may have a material adverse effect on Sitowise's reputation and financial position*" above. Improper behavior, violations of, or non-compliance with, applicable laws and regulations may lead to administrative, civil law and/or criminal consequences and sanctions, reputational harm and require management resources.

Sitowise's services in Finland are covered by the international ISO certification system, and Sitowise plans to expand the certification coverage to its operations in Sweden in the future. The certifications cover both the quality management (ISO 9001) and environmental (ISO 14001) systems. Sitowise must also allocate resources for procuring and retaining the certificates and for compliance with other rules and standards and, since such may change from time to time, Sitowise is unable to foresee future costs for compliance therewith. Should Sitowise be unable to procure or retain such certificates or comply with other relevant rules and standards, this may have a material adverse effect on its reputation and the demand for its services, as such certificates or compliance may be significant criteria for choosing a service provider for many of Sitowise's current or prospective customers.

Whilst Sitowise continually works to ensure that its operations comply with applicable laws and regulations, there can be no assurance that, given varying and uncertain interpretations of these laws, Sitowise would be found to be in compliance at all times. From time to time, Sitowise may face regulatory enforcement based on its alleged non-compliance with such laws and regulations. If the laws or regulations to which Sitowise is subject were to change or be violated by Sitowise or its employees, the costs incurred by Sitowise could increase or Sitowise could be subject to fines or penalties or could suffer reputational harm.

4. *A possible significant violation of Sitowise's internal policies or ethical guidelines may have a material adverse effect on Sitowise's reputation and corporate image.*

Associating the Sitowise brand with sustainability and brand recognition is an important asset to Sitowise. Even though Sitowise is committed to pursuing its business in compliance with applicable legislation and it continues to use existing processes, systems and controls to ensure compliance, these processes may not necessarily be sufficient to prevent or detect any deficient practices and breaches of law or ethical standards, which may be pursued not only by Sitowise employees but also by its subcontractors, partners and customers. Such breached may be caused by Sitowise's inability to properly communicate its code of conduct and ethical principles to its personnel, implement the internal policies across the Group, inadequate measures available for interfering in observed misconduct, and the increasing size of the Group. Further, any dishonesty by employees could decrease Sitowise's profitability, in addition to which it could have an adverse effect on Sitowise's reputation.

If Sitowise or its employees are unable to successfully implement and comply with the internal policies or ethical guidelines, or act in a manner that is not compliant with the level of business ethics that Sitowise has undertaken, this may have a material adverse effect on Sitowise's reputation and corporate image. Any negative publicity regarding the Sitowise's ethical conduct or sustainability among stakeholders could lead to loss of customers and prospective or existing employees expecting high standards for sustainability and ethical conduct. Breaches of the code of conduct and other ethical standards may also lead to the inability to implement Sitowise's strategic vision of being a responsible partner, which may severely damage the implementation of Sitowise's long-term strategy. Should Sitowise fail to implement its strategy successfully, it may materially decrease the profitability in Sitowise's operations. In addition, Sitowise's subcontractors or customers may not adhere to international conventions or best practices regarding environmental sustainability and human and labor rights. The aforesaid could lead to loss of customers and business opportunities, inability to reach growth and profitability objectives, or incur significant expenses, cause disqualification from public procurement, reputational damage, legal or administrative proceedings, or sanctions.

F. Risks Relating to IT Systems and Intellectual Property

1. Malfunctions, interruptions, failures or cybersecurity breaches affecting Sitowise's IT systems may lead to significant disruptions in Sitowise's operations which may have a material adverse effect on Sitowise's service continuity and professional reputation as well as result in unexpected costs.

Sitowise's business is dependent on well-functioning IT infrastructure and uninterrupted access to IT-based tools, systems and communication platforms, including Voima platform. IT systems are sensitive to damage and disruptions and unscheduled outages may lead to disruptions in Sitowise's production process and thus net sales shortfalls. Outages or disruptions may be caused by, among other things, computer viruses, power outages, human error, sabotage, weather and nature-related events or problems caused by substandard maintenance. In addition, IT attacks, errors and damage to IT systems, operational disruptions, incorrect or deficient deliveries of IT services by Sitowise's IT providers as well as errors or delays in future implementations of new IT systems can also adversely affect Sitowise's IT infrastructure. Malfunctions and cybersecurity breaches could lead to loss, theft, misuse or destruction of data and equipment, to an equipment or system malfunction, or loss of all of Sitowise's or the customers' internal IT and the loss of abilities to support, manage or develop services. Such events could also expose Sitowise, its customers or other contractual parties to potential liability, litigation, or regulatory action, and result in the loss of existing or potential customers or business opportunities, loss of sensitive government contracts, or other financial losses. There is also a risk that operational disruptions, IT attacks or extended outages in Sitowise's IT systems will lead to reduced confidence in Sitowise and damage to its reputation. Furthermore, maintenance of a functioning and adequate IT infrastructure may be costly.

Moreover, increased global cyber criminality, targeted threats and sophisticated cyber-related attacks constitute a part of the rapidly changing digital world. These threats expose the information assets of Sitowise and its customers, partners and providers to risks, and requirements for confidentiality, privacy and accessibility are more demanding and require greater power to withstand cyber-attacks and other forms of infringements than previously. A cyber-related attack may lead to extensive adverse consequences, including damage to Sitowise's reputation or competitiveness, and may result in increased protection costs, legal disputes or require adaptation measures.

In certain cases, Sitowise's business also includes the handling of sensitive and confidential information. Information management systems belonging to Sitowise or other companies with whom it collaborates may be vulnerable to security violations, detrimental activity, data viruses, misplaced or lost data, automated or human errors and other similar events. The dissemination of confidential information may damage Sitowise's reputation and result in costs for Sitowise.

System crashes can quickly contaminate and disrupt all of the Group's systems which may severely disrupt the production process and lead to significant financial losses. Any malfunctions, interruptions, failures or cybersecurity breaches affecting Sitowise's IT systems may delay delivery of services, decrease productivity and require Sitowise to allocate resources to clear up and prepare for system crashes, which may reduce resources available for other projects. Materialization of any of the above factors may have a material adverse effect on Sitowise's business, financial condition, results of operations and future prospects.

2. Sitowise may not be able to protect its brand and other intellectual property in all circumstances and may even be subjected to claims of intellectual property infringement.

Sitowise's brand is an important asset to Sitowise. Maintaining the reputation of, and value associated with, Sitowise's brand, is central to the success of Sitowise's business, and Sitowise could be adversely affected if customers lose confidence in the quality of the services provided by Sitowise. The main IP asset for the Digital Solutions business is copyright protection pertaining to the source code of the application and software solutions developed internally at Sitowise and in connection with client projects, which Sitowise licenses to its customers. In the future, Sitowise may also acquire and/or develop services and technical solutions which can be patented, registered or otherwise protected.

Sitowise has right to use and it may in future use in its services software of third parties pursuant to licencing or other agreements. Any limitation on Sitowise's ability to sell or use services that incorporate software or technologies could cause Sitowise to lose net sales -generating opportunities or require Sitowise to incur additional expenses. Refusal of third parties to license or continue licensing software to Sitowise could also have a material adverse effect on Sitowise's ability to provide services to its customers or ensure service continuity. Further, Sitowise could have to enter into disputes to assert its rights, or Sitowise may itself be subjected to claims concerning infringements of the intellectual property rights of others. Sitowise or its customers may also be subject to legal actions for infringement of intellectual property rights, and in some cases Sitowise may also be liable for the infringement claims made against its customers. Intellectual property claims or litigation could be time-consuming and incur significant costs to Sitowise, harm Sitowise's reputation, require Sitowise to enter into additional royalty or licensing arrangements, or prevent Sitowise from providing some solutions or services.

Sitowise also uses know-how that is not always protected by intellectual property rights. There is a risk that confidentiality undertakings by employees, subcontractors and partners, as well as other measures taken to maintain control over such information, will be insufficient to prevent disclosure of sensitive information.

Failure to protect Sitowise's brand, other intellectual property rights or claims of infringement of the intellectual property rights of third parties may have a material adverse effect on Sitowise's business, financial condition, results of operations and future prospects.

G. Risks Relating to Financing and Financial Position

1. ***Sitowise may fail to secure sufficient financing to implement its growth strategy or otherwise. In addition, increase in the amount of debt in Sitowise's capital structure may weaken the equity ratio and have a material adverse effect on Sitowise's solvency.***

Sitowise currently finances its business and investments with operational cash flows and debt financing. As at 31 December 2020, Sitowise's gearing (excluding lease liabilities) was 85 percent. Sitowise needs and expects to need also in the future external financing in order to implement its strategy and finance the growth of its business. Sitowise aims to continuously assess and monitor the amount of financing needed for its business to ensure that it has sufficient liquid assets to finance its business and the servicing of its debts. In particular, the implementation of the strategy to grow through business acquisitions may in the future require both sufficient cash flow from operations and external financing, exposing Sitowise to risks related to the availability of financing. There can be no assurances that Sitowise will be able to secure sufficient financing in a timely manner and with favorable terms (or at all) in order to maintain its liquidity and finance its operations and investments. Any uncertainty in the financial markets, increases in interest rates or tightening bank regulation could mean that the price of financing needed to carry out Sitowise's business will increase and that such financing may be less readily available. Changes in the availability of equity and debt financing and in the terms of the financing available may have an effect on Sitowise's ability to invest in developing and growing its business in the future.

Implementation of Sitowise's strategy and facilitating growth in the business with external financing may also expose Sitowise to risks related to indebtedness. Should the financial expenses increase due to higher indebtedness, this would force Sitowise to use a significant proportion of its cash flow from operations for payments of principal and accrued interests, as well as limit Sitowise's cash flow and assets available for business and its development. Should Sitowise's cash flow from operations be insufficient to cover present or future debt servicing requirements, Sitowise would be forced to limit its operations, business acquisitions, investments and capital expenses, rearrange its loans or seek for additional capital from the market. The factors described above could weaken Sitowise's financial position, and higher indebtedness could also weaken Sitowise's ability to acquire additional financing with corresponding or more favorable terms as compared to present financing terms in order to finance future working capital needs, investments, acquisitions and other general operative needs. Sitowise's indebtedness may also increase its vulnerability to, and reduce its flexibility for addressing, general economic and industry-related conditions. Furthermore, loan agreements may include restrictive conditions or financial covenants and any non-fulfilment of the covenants may result in premature payment of the loan pursuant to the terms of the loan agreements.

Changes in the availability of equity or debt financing as well as the terms of the available financing or a significant increase in the amount of debt may have a material adverse effect on Sitowise's business, financial condition, results of operations and future prospects.

2. Sitowise may be unable collect its receivables in a timely manner, which may reduce Sitowise's cash flows and adversely affect Sitowise's liquidity.

Sitowise is also exposed to counterparty and credit risks if Sitowise's contractual parties are unable to fulfil their obligations based on agreements. The counterparty risk related to customers, especially with private sector customers, arises from outstanding receivables or long-term agreements and long payment terms while the risk related to financial institutions relates to the counterparties of Sitowise's cash and investment assets. As at 31 December 2020, Sitowise's trade receivables amounted to EUR 30.2 million (including credit loss provisions). Of the trade receivables (excluding credit loss provisions), in total EUR 4.2 million was overdue and over 60 days overdue was in total EUR 1.5 million. If any of the counterparties fail to fulfil their obligations towards Sitowise, Sitowise could suffer significant credit losses.

Moreover, should Sitowise be unable collect its receivables in a timely manner due to, for example, disagreements relating to the billing of a project, the counterparty facing payment difficulties or bankruptcy, payment terms suboptimal from Sitowise's perspective or delays in Sitowise's own billing process, this may have a material adverse effect on Sitowise's funding position and liquidity, which could have an adverse effect on its ability to maintain and develop its current operations and carry out the required investments. Delays in collecting receivables may also lead to a situation where the financial performance metrics or financial forecasting may become less reliable, which may complicate the financial management of the Group.

Decrease in liquidity due to credit losses or delays in payments may, if materialized, have a material adverse effect on Sitowise's business, financial condition, results of operations and future prospects.

3. Covenants in Sitowise's financing agreements may restrict Sitowise's operations and financial flexibility.

If the Listing is completed, Sitowise will refinance certain indebtedness (see also "*Operating and Financial Review and Prospects – Liquidity and Capital Resources – Net Debt – Refinancing*"). Sitowise's new facilities agreement includes financial covenants measuring the Group's ratio of net debt to EBITDA. Such covenants may limit Sitowise's operating and financial flexibility resulting in a decrease in Sitowise's capability to engage in business opportunities. Furthermore, there can be no assurances that Sitowise is able to fulfil financial or other covenants included in its loan arrangements in the future. Breaching the covenants may give a creditor the right to demand accelerated or immediate repayment of the loans. Such failures could hinder the availability of financing for Sitowise and distress Sitowise's liquidity and capital structure. Such events could prevent Sitowise from maintaining its target debt ratio, impair its ability make necessary investments required to maintain and develop its operations, and could ultimately lead to financial distress or insolvency.

4. Currency fluctuations could adversely affect Sitowise's financial results.

Sitowise's results can be affected by fluctuations in currency exchange rates as Sitowise is exposed to foreign exchange rate risks in the form of translation risks and transaction risks arising from fluctuations in currency exchange rates. Sitowise is exposed to foreign exchange risks, which are mainly related to exchange rate fluctuations of the Swedish krona against the euro, which is the reporting currency of the Group. Fluctuations in SEK relative to EUR have an impact on the Group's consolidated financials due to the operations of its Swedish subsidiaries.

The translation risk arises from Sitowise's equity investments in foreign units and from their undistributed profits, due to the fact that foreign subsidiaries' income statements and balance sheets are translated to Sitowise's operating currency. Exposure includes the acquisition price, share capital and restricted and non-restricted reserves of subsidiaries in non-euro countries, as well as the results of their operations.

The transaction risk arises from foreign currency denominated transactions from operations and financing. The underlying exposure includes financial items such as foreign currency accounts receivables and payables of operating companies, internal funding and foreign currency bank account balances, and estimated cash flows such as firm commitments and future trade transactions. Sitowise does not actively hedge its transaction risk since majority of its incomes and costs are in the same currency. Sitowise's translation risk is currently mainly due to intra-group loans, and Sitowise has not hedged the translations risk to which it is exposed.

Accordingly, the Group has exposure to exchange rate fluctuations relative to euro, and changes in exchange rates have a direct effect on Sitowise's operating profit, balance sheet and cash flows, and may thus have an adverse effect on its results of operations.

5. *Sitowise is exposed to fluctuations in interest rates, which may have a material adverse effect on Sitowise's financial results.*

As at the date of this Offering Circular, Sitowise's financial arrangements are comprised of a variable interest rate senior term and revolving credit bank facilities, which amounted to EUR 72.0 million on the balance sheet as at 31 December 2020. Should the Listing be completed, Sitowise will repay its senior term and revolving facilities and the loan under the new facilities agreement will be withdrawn (see more in "*Operating and Financial Review and Prospects – Liquidity and Capital Resources – Net Debt – Refinancing*"). The new facilities agreement consists of a EUR 100.0 million term loan and revolving loan facilities, which loans carry a floating interest rate. As the interest rates of the loans are linked to the applicable reference rate, such as EURIBOR, the loans with floating interest rates expose Sitowise to an interest rate risk. In addition, the interest rate margins of the bank loan will change subject to Sitowise's leverage ratio. An increase in the interest rate level may have a material adverse effect on the cost of financing and Sitowise's financial costs. In addition, higher costs of capital resulting from an increase in interest rates have a direct effect on Sitowise's customers' investment decisions. Among Sitowise's current or prospective customers, rising interest rates could result in decreased investment capacity and consequently a reduced demand for design and consulting services. Any increase in interest rates could have a material adverse impact on Sitowise's financial position, cost of financing, ability to raise capital, liquidity as well as its future refinancing expenses. As a result, fluctuations in interest rates may have a material adverse effect on Sitowise's business, financial condition, results of operations and future prospects.

6. *Potential future impairments of goodwill may have a material adverse impact on Sitowise's financial position and results.*

Over the years, Sitowise has acquired several businesses. In some acquisitions, a material part of the purchase price is made up of goodwill. As at 31 December 2020, Sitowise's balance sheet included EUR 118.1 million in goodwill which was 176.6 percent of the shareholders' equity. The amount of goodwill on Sitowise's balance sheet is thus significant. Unlike other intangible and tangible assets, goodwill is not amortized but instead tested annually for impairment and whenever there are indications of impairment. Changes in income, growth development or the cash flow forecasts based on Sitowise's strategic plans, the discount rate or terminal growth could lead to write-downs on goodwill, which could weaken Sitowise's result. Other events or circumstances that lower the value of goodwill may include greater economic uncertainty, growing competition and factors leading to a decline in sales or profitability. Consequently, potential future impairments of goodwill may have a material adverse effect on Sitowise's financial condition and results of operations.

7. *As a holding company, the Company is dependent on the income and cash flow generated through the operational activities of its subsidiaries.*

The Company is a holding company that has no significant assets except for the shares of its subsidiaries. Due to this, the Company is dependent on the net sales and cash flow received from the operations of its subsidiaries. As such, a weakening of the subsidiaries' results of operations and financial position may have a material adverse effect on the Company's financial position and results of operations.

H. Risks Relating to the Company's Shares and the Listing

1. *The market price and liquidity of the Company's shares may fluctuate significantly.*

Prior to the Offering, the Shares have not been traded on any regulated markets. The Company intends to apply for the Shares to be admitted to trading on the Helsinki Stock Exchange, but there are no assurances that an active market will emerge or can be maintained for the Shares after the Offering. The prices of shares traded for the first time on a regulated market have generally experienced significant fluctuations, which may not have been related to the business or financial performance of the companies that have issued the shares.

The market price of the Company's Shares may fluctuate significantly. The market price may fluctuate due to the market's perception of the Shares or as a response to various other factors and events, such as public discussion and news relating to Sitowise's field of business, planned and implemented changes in the legislation applied to

Sitowise's operations or changes in Sitowise's results of operations or development of its business. The prices and trading volumes of shares may fluctuate from time to time, and this may impact the prices of securities without any connection to the performance or prospects of Sitowise. A general decline in stock markets or decline in the prices of securities comparable to shares may have a material adverse effect on the demand and liquidity of the Company's Shares. Also, unusual events and general economic conditions in Europe may have a general effect on the equity markets.

It is also possible that Sitowise's growth, profitability, results or future prospects will fall short of equity analysts' and investors' expectations. Any of these factors, as well as several other factors, may lead to the market price of the Company's Shares falling below the Subscription Price.

2. There is no assurance of distribution of dividends or capital repayment to the shareholders in the future.

The Company's Board of Directors estimates annually the balance between the dividends to be distributed and assets invested in the Company's growth, and based on this makes a proposal on the amount of dividends to be distributed, if any. There can be no assurance that the Company distributes dividends or makes capital repayments in the future on the Shares it has issued. The payment of dividend or repayment of capital and their amounts are at the discretion of the Company's Board of Directors and, ultimately, dependent on a resolution of a general meeting of the Company, as well as on cash assets, profit for previous financial periods, estimated financing needs, the Company's results and financial position, potential terms and conditions of loan agreements binding the Company, stipulations of the Finnish Limited Liability Companies Act (624/2006, as amended) (the "**Finnish Companies Act**") and other related factors. See "*Dividends and Dividend Policy*" and "*Shares and Share Capital – Shareholders' Rights – Dividend and Distribution of Other Unrestricted Equity*".

3. The Listing results in addition costs for the Company as well as new obligations regarding operating as a listed company.

The Company will submit a listing application to the Helsinki Stock Exchange to admit the Shares to trading on the official list of the Helsinki Stock Exchange. In addition to non-recurring costs, the Listing will incur the Company additional administration costs. As a result of the Listing, the Company must comply with statutory requirements applied to companies whose shares have been admitted to public trading in the Helsinki Stock Exchange. The governance, planning, reporting, communications and monitoring systems required from a listed company are more extensive than those required from private limited liability companies. The Company must allocate the management's and personnel's resources to these operations and ensure the financial requirements to comply with the regulation and guidelines. It should also be noted regarding compliance with such obligations that Sitowise's senior management also includes members who have no prior experience of managing a listed company. Any resulting prospective increased costs or reduced ability to commit resources to Company's operations may have a material adverse effect on the management and development of the business.

The Company has striven to prepare for listing and compliance with the obligations placed on listed companies. Nevertheless, it is possible that the Company will be unable to fulfil all of its obligations that are required from a listed company or that the after the Listing, the Company would fail to comply with the current regulation or the future amendments. The increased costs resulting from the compliance with the regulation and instructions as well as prospective neglects resulting to fines and other payments may have a material adverse effect on Sitowise's business, financial position and results of operations.

4. The interests of the Company's major shareholders may not be aligned with the interests of other shareholders.

As at the date of this Offering Circular, Intera is the largest shareholder in the Company with a holding of approximately 37 percent of the shares in the Company and approximately 98 percent of the votes in the Company. If the Offering is implemented as planned, Intera will hold approximately 20.2 percent (12.9 percent assuming that the Over-allotment Option is exercised in full) of all Shares and votes in the Company immediately after the Offering. As such, Intera still holds a significant proportion of shares and votes in the Company after the Offering, and due to this it is possible that Intera could in practice have control over resolutions to be made in the general meetings of shareholders, such as adopting financial statements, distribution of dividends, capital increases and election and dismissal of the members of the Company's Board of Directors. The interests of the Company's largest shareholder may not always be aligned with the interests of other shareholders.

5. A significant shareholder may sell a significant part of its shareholding, which may have a negative effect on the Company's share price and result in other adverse effects for the Company.

Following the Offering, Intera will likely remain the largest shareholder of the Company. Intera is a Finnish growth-oriented private equity firm focusing on increasing the value of its portfolio companies by accelerating their net sales and profit growth. As customary to private equity companies, Intera's business usually involves exiting from its portfolio companies within a certain time period defined in Intera's strategy. Intera has informed the Company that it aims to remain as a large shareholder in the Company and to continue to develop the Company as a stand-alone listed company. However, it cannot be ruled out that after the expiration of the lock-up arrangement, Intera may aim to exit from the Company in line with its investment strategy.

Should Intera or another significant shareholder decide to sell the Company's Shares in significant amounts or there is a perception in the market that Intera or another significant shareholder might sell the Company's Shares in significant amounts, such significant sales or perceptions may have a material adverse effect on the value and market price of the Shares. If a significant shareholder decides to sell large shareholdings, this may also have other adverse effects. The sale of large shareholdings may for example, trigger change of control clauses in the Company's funding or other agreements and require renegotiation of such agreements, which may have a material adverse effect on the Company's financial costs and ability to conduct its business. The sale of large shareholdings may also lead to a situation where the buyer is obliged to make a public offer to acquire the Company's remaining Shares if the acquired number of Shares exceeds ownership limits defined in the Securities Market Act.

6. Investors must make their investment decision at a time when the final outcome of the Offering is not yet known.

Subscriptions made in the Offering are binding and cannot be cancelled or changed, notwithstanding the exception specified in the terms and conditions of the Offering, once a subscription has been made. For more information on the binding subscriptions and cancellation of subscription commitments, see "*Terms and Conditions of the Offering – General Terms and Conditions of the Offering – Cancellation of Commitments*". Therefore, investors must make their investment decision at a time when the final outcome of the Offering is not yet known.

7. Certain foreign shareholders may not be able to exercise their subscription rights.

According to Finnish legislation, shareholders have certain pre-emptive subscription rights pro rata their shareholdings, when the Company issues new Shares or securities entitling to subscribe for new Shares. Certain shareholders in the Company who reside or will reside or whose registered address is in certain countries outside Finland, such as the United States, may not necessarily be able to exercise their pre-emptive subscription rights in possible future share issues, unless the Shares have been registered according to the securities legislation in effect in the relevant country or in another corresponding way or an exception from registration or other similar requirements is available based on applicable legislation. This may dilute the shareholding of such shareholders in the Company. Furthermore, if the number of such shareholders who cannot exercise their subscription rights is large and their subscription rights are sold on the market, this may have an adverse effect on the price of the subscription rights. In addition, the legislation of the relevant country may limit the right of a foreign shareholder to receive information on share issues and other important transactions. For more information on shareholders' rights, see "*Shares and Share Capital – Shareholders' Rights*".

8. Investors with a different reference currency than the euro are exposed to certain foreign exchange risks when investing in the Shares.

The Shares are priced and traded on the Helsinki Stock Exchange in euros. Also, possible dividends on the Shares are paid in euros. Due to this, fluctuations in the value of the euro affect the value of possible dividends and other distributions of unrestricted equity, such as capital repayment, if the investor's reference or main currency differs from the euro. In addition, the market price of the Shares in other currencies than the euro fluctuates in part due to changes in exchange rates. This can affect the value of the Shares and possible dividends paid on the Shares if the investor's main currency is not the euro. In addition, exchanging euros into another currency may incur such investor's additional transaction costs.

2. IMPORTANT DATES

15 March 2021 at 10:00 a.m. (Finnish time)	The subscription periods for the Public Offering, the Personnel Offering and the Institutional Offering commence
22 March 2021 at 4:00 p.m. (Finnish time)	The Public Offering, the Personnel Offering and the Institutional Offering may be ended at the earliest
23 March 2021 at 4:00 p.m. (Finnish time) (estimate)	The subscription period for the Public Offering and the Personnel Offering ends
25 March 2021 at 12:00 noon (Finnish time) (estimate)	The subscription period for the Institutional Offering ends
25 March 2021 (estimate)	Announcement of the results of the Offering
26 March 2021 (estimate)	The Shares subscribed for in the Public Offering will be recorded in the book-entry accounts of investors
26 March 2021 (estimate)	Trading in the Shares on the Prelist of the Helsinki Stock Exchange is expected to commence (excluding the Shares subscribed for in the Personnel Offering)
30 March 2021 (estimate)	The Shares subscribed for in the Institutional Offering are ready to be delivered against payment through Euroclear Finland Oy
30 March 2021 (estimate)	Trading in the Shares on the official list of the Helsinki Stock Exchange is expected to commence (excluding the Shares subscribed for in the Personnel Offering)
15 April 2021 (estimate)	The Shares subscribed for in the Personnel Offering will be recorded in the book-entry accounts of subscribers’
15 April 2021 (estimate)	Trading in the Shares subscribed for in the Personnel Offering on the official list of the Helsinki Stock Exchange is expected to commence

3. TERMS AND CONDITIONS OF THE OFFERING

The term "subscription" refers in the following to the investor's offer or commitment to subscribe for or purchase Offer Shares (as defined below) in the Offering (as defined below), and an investor may be allocated either New Shares (as defined below) or Sale Shares (as defined below). Correspondingly, "subscriber", "subscription period", "subscription place", "subscription price", "purchase offer" and "commitment" (and other corresponding terms) refer to both Share Issue (as defined below) and Share Sale (as defined below). In these terms and conditions of the Offering, the number of Shares after the Share Issue is based on the assumption that both the combination of the shares as resolved bu an unanimous resolution of the shareholders on 3 March 2021 and redemption and cancellation of class P1 and P2 shares have been completed in connection with the Listing.

General Terms and Conditions of the Offering

Offering

Sitowise Group Plc, a public limited liability company incorporated in Finland (the "**Company**"), aims to raise gross proceeds of approximately EUR 75 million by offering up to 9,176,341 new shares in the Company (the "**New Shares**") for subscription (the "**Share Issue**"). In addition, Intera Fund III Ky ("**Intera**"), a fund administered by Intera Equity Partners III Oy, and other shareholders listed in the Annex A of this Offering Circular (as defined below) (together with Intera, the "**Sellers**") will offer for purchase initially a maximum of 7,881,994 existing shares of the Company (the "**Sale Shares**") (the "**Share Sale**", and together with the Share Issue, the "**Offering**"). Unless the context indicates otherwise, the New Shares (including the Personnel Shares), the Sale Shares and the Additional Shares (as defined below) are together referred to herein as the "**Offer Shares**". The subscription price for the Offer Shares in the Public Offering and Institutional Offering is EUR 8.20 per Offer Share (the "**Subscription Price**"). In the Personnel Offering (as defined below), the Company offers preliminarily a maximum of 300,000 New Shares, and in the event of an oversubscription, a maximum of 700,000 additional New Shares. The subscription price in the Personnel Offering is 10 percent lower then the Subscription Price.

The Offering consists of (i) a public offering to private individuals and entities in Finland (the "**Public Offering**"), (ii) an institutional offering to institutional investors in Finland and, in accordance with applicable laws, internationally (the "**Institutional Offering**") and (iii) personnel offering to the Company's and its subsidiaries' Personnel (as defined below) (the "**Personnel Offering**"). The Offer Shares represent a maximum of approximately 48.6 percent of all the shares in the Company (the "**Shares**") and votes vested by the Shares after the Share Issue assuming that the Over-allotment Option (as defined below) will not be exercised (approximately 55.8 percent assuming that the Over-allotment Option will be exercised in full), and assuming that the Sellers will sell the maximum number of Sale Shares and that the Company will issue 9,176,341 New Shares.

Offer Shares will be offered in the Institutional Offering to institutional investors outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") ("**Regulation S**"), and otherwise in compliance with the said regulation. The Shares (including the Offer Shares) have not been, and will not be, registered under the U.S. Securities Act, or under the securities laws of any state of the United States and, accordingly, will not be offered or sold, directly or indirectly, in or into the United States (as defined in Regulation S of the U.S. Securities Act).

The terms and conditions of the Offering are comprised of the general terms and conditions of the Offering as well as the special terms and conditions of the Public Offering, Institutional Offering and Personnel Offering.

Share Issue

The shareholders of the Company resolved on 3 March 2021 to authorise the Company's Board of Directors to decide on an issue of a maximum of 14,000,000 New Shares. Based on this authorisation, the Company's Board of Directors is expected to resolve on 25 March 2021 to issue New Shares in the Share Issue. With the Share Issue, the Company aims to raise gross proceeds of approximately EUR 75 million by offering New Shares for subscription at the Subscription Price.

The number of the Shares may increase to a maximum of 35,128,721 Shares, assuming that the Company will issue 9,176,341 New Shares. The number of New Shares to be issued in the Share Issue would represent approximately a maximum 26.1 percent of the Shares and votes vested by the Shares after the Share Issue assuming that all of the New Shares preliminarily offered in the Offering are offered and subscribed for in full. The maximum number of the New Shares represents approximately 35.4 percent of the Shares prior to the Share Issue.

The New Shares are being offered in deviation from the shareholders' pre-emptive subscription right in order to enable the listing of the Shares on the official list of Nasdaq Helsinki Ltd (the "**Helsinki Stock Exchange**") (the "**Listing**"). The payment made to the Company for the approved New Share subscriptions will be booked in its entirety in the invested unrestricted equity fund. Therefore, the Company's share capital will not increase in connection with the Share Issue.

Share Sale

The Sellers will offer for purchase initially a maximum of 7,881,994 Sale Shares in the Share Sale. The Sale Shares represent approximately 22.4 percent of the Shares after the Share Issue assuming that the Over-allotment Option will not be exercised (and together with the Additional Shares, approximately 29.7 percent assuming that the Over-allotment Option will be exercised in full), and assuming that the Sellers will sell the maximum number of Sale Shares and that the Company will issue 9,176,341 New Shares.

Procedure in Undersubscription Situations

If the Offering is not subscribed for in full and the Offering is nevertheless completed, the subscriptions would be allocated firstly to New Shares, and, thereafter, to Sale Shares. In such case, the number of Sale Shares sold by each Seller would be reduced on a *pro rata* basis according to the number of Sale Shares initially offered for purchase by such Seller.

Joint Global Coordinators and Subscription Place

Carnegie Investment Bank AB, Finland Branch ("**Carnegie**") and Danske Bank A/S, Finland Branch ("**Danske**") have been appointed to act as joint global coordinators and joint bookrunners for the Offering (together, the "**Joint Global Coordinators**"). In addition, the Company has appointed Nordnet Bank AB ("**Nordnet**") as the subscription place in the Public Offering.

Over-allotment Option

Intera is expected to grant to the Joint Global Coordinators an over-allotment option, exercisable by Danske on behalf of the Joint Global Coordinators, to purchase a maximum of 2,558,750 additional Shares at the Subscription Price (the "**Additional Shares**") solely to cover over-allotments in connection with the Offering (the "**Over-allotment Option**"). The Over-allotment Option is exercisable within 30 days from the commencement of trading in the Shares on the prelist of the Helsinki Stock Exchange (*i.e.*, on or about the period between 26 March 2021, and 25 April 2021) (the "**Stabilisation Period**"). The Additional Shares represent approximately 9.9 percent of the Shares and votes prior to the Offering and approximately 7.3 percent after the Offering assuming that the Sellers will sell the maximum number of Sale Shares and that the Company will issue 9,176,341 New Shares. However, the number of Additional Shares will not in any case represent more than 15 percent of the aggregate number of New Shares and Sale Shares.

Stabilisation

In connection with the Offering, Danske, acting as stabilising manager (the "**Stabilising Manager**"), may, but is not obligated to, engage in measures during the Stabilisation Period that stabilise, maintain or otherwise affect the price of the Shares. The Stabilising Manager may allocate a larger number of Shares than the total number of New Shares and Sale Shares, which will create a short position. The short position will be covered if it does not exceed the number of Additional Shares. The Stabilising Manager is entitled to close the covered short position by exercising the Over-allotment Option and/or by buying Shares on the market. In determining the acquisition method of the Shares to cover the short position, the Stabilising Manager may consider, among other things, the market price of the Shares in relation to the Subscription Price. In connection with the Offering, the Stabilising Manager may also bid for and purchase Shares in the market to stabilise the market price of the Shares. These measures may raise or maintain the market price of the Shares in comparison with the price levels determined independently on the market or may prevent or delay any decrease in the market price of the Shares. However, stabilisation measures cannot be carried out at a price higher than the Subscription Price. The Stabilising Manager has no obligation to carry out these measures, and it may stop any of these measures at any time. The Stabilising

Manager or the Company on behalf of the Stabilising Manager will publish information regarding the stabilisation required by legislation or other applicable regulations at the end of the Stabilisation Period. Stabilisation measures can be carried out on the Helsinki Stock Exchange during the Stabilisation Period.

Any stabilisation measures will be conducted in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (the "**Market Abuse Regulation**") and the Commission Delegated Regulation (EU) 2016/1052 supplementing the Market Abuse Regulation with regard to regulatory technical standards for the conditions applicable to buy-back programs and stabilisation measures.

The Stabilising Manager and Intera may enter into a share lending agreement related to stabilisation and the Over-allotment Option in connection with the Offering. According to the share lending agreement, the Stabilising Manager may borrow a number of Shares equal to the maximum number of Additional Shares to cover any possible over-allotments in connection with the Offering. To the extent that the Stabilising Manager borrows Shares pursuant to the share lending agreement, it must return an equal number of Shares to Intera. See "*Plan of Distribution*".

Placing Agreement

The Company, Intera and the Joint Global Coordinators are expected to enter into a placing agreement (the "**Placing Agreement**") on or about 25 March 2021. In the Placing Agreement, the Company will agree to issue New Shares and Intera will agree to sell Sale Shares to subscribers or purchasers procured by the Joint Global Coordinators, and each of the Joint Global Coordinators, severally will agree to procure subscribers or purchasers for the New Shares and Sale Shares, provided certain conditions are fulfilled. Other Sellers than Intera are not parties of the Placing Agreement but they have each given the Joint Global Coordinators the sales undertaking with respect to the Offering. For further information, see "*Plan of Distribution*".

Subscription Period

The subscription period for the Public Offering will commence on 15 March 2021, at 10:00 a.m. (Finnish time) and end on or about 23 March 2021, at 4:00 p.m. (Finnish time).

The subscription period for the Institutional Offering will commence on 15 March 2021, at 10:00 a.m. (Finnish time) and end on or about 25 March 2021, at 12:00 noon (Finnish time).

The subscription period for the Personnel Offering will commence on 15 March 2021, at 10:00 a.m. (Finnish time) and end on or about 23 March 2021, at 4:00 p.m. (Finnish time).

The Company's Board of Directors and Intera have, in the event of an oversubscription, the right to close the Public Offering and the Institutional Offering by joint decision at the earliest on 22 March 2021, at 4:00 p.m. (Finnish time). In addition, the Company's Board of Directors may close the Personnel Offering at its sole discretion no earlier than 22 March 2021, at 4:00 p.m. (Finnish time). The Public, Institutional and Personnel Offerings may be closed independently of one another. A stock exchange release regarding any close will be published without delay.

The Company's Board of Directors and Intera are entitled to extend the subscription periods of the Public and Institutional Offerings. The Company's Board of Directors is entitled to extend the subscription period of the Personnel Offering. A possible extension of the subscription period will be communicated through a stock exchange release, which will indicate the new end date of the subscription period. The subscription periods of the Public, Institutional and Personnel Offerings will in any case close on 30 April 2021, at 4:00 p.m. (Finnish time) at the latest. The subscription periods of the Public, Institutional and Personnel Offerings can be extended independently of one another. A stock exchange release concerning the extension of a subscription period must be published no later than on the estimated final dates of the subscription periods for the Public, Institutional or Personnel Offerings stated above.

Subscription Price

The subscription price for the Offer Shares in the Public Offering and Institutional Offering is EUR 8.20 per Offer Share.

The price per share in the Personnel Offering is 10 percent lower than the Subscription Price meaning that the Subscription Price in the Personnel Offering is EUR 7.38 per Offer Share.

The Subscription Price may be changed during the subscription period, provided, however, that in the Public Offering the Subscription Price cannot be higher than the original Subscription Price, i.e. EUR 8.20 per Offer Share, and that in the Personnel Offering the Subscription Price cannot be higher than the original Subscription Price of the Personnel Offering (as defined below), i.e. EUR 7.38 per Offer Share. Any change would be communicated through a stock exchange release and on the internet at www.sitowise.com/ipo. If the Subscription Price is changed, the Finnish language prospectus published by the Company in connection with the Offering (the "**Finnish Prospectus**") will be supplemented and the supplement will be published through a stock exchange release. If the Finnish Prospectus is supplemented, investors who have given their Commitments before the supplement or correction of the Finnish Prospectus have the right to cancel their Commitments as described in "–*Cancellation of Commitments*" below.

Conditionality, Execution and Publishing of the Offering

The Company's Board of Directors and Intera will jointly decide on the execution of the Offering, the final number of Offer Shares and the allocation of Offer Shares on or about 25 March 2021 (the "**Completion Decision**"). The above information will be published through a stock exchange release immediately after the Completion Decision and be available on the Company's website at www.sitowise.com/ipo and in the subscription places of the Public Offering and the Personnel Offering no later than the business day following the Completion Decision on or about 26 March 2021. The execution of the Offering is conditional upon the Company receiving gross proceeds of at least EUR 65 million in the Offering. The execution of the Offering is also conditional upon the signing of the Placing Agreement.

Cancellation of Commitments

A commitment to subscribe for or purchase Offer Shares in the Public Offering or subscribe for Personnel Shares in the Personnel Offering (a "**Commitment**") cannot be amended. A Commitment may only be cancelled in the situations provided for in the Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 (the "**Prospectus Regulation**").

Cancellation in Accordance with the Prospectus Regulation

If the Finnish Prospectus is supplemented in accordance with the Prospectus Regulation due to a material error or omission or due to material new information that has become known after the Finnish Financial Supervisory Authority has approved the Finnish Prospectus, but before trading in the Offer Shares begins on the prelist the Helsinki Stock Exchange, investors who have given their Commitments before the supplement or correction of the Finnish Prospectus have, in accordance with the Prospectus Regulation, the right to cancel their Commitments within three (3) banking days after the supplement has been published. The use of the cancellation right requires that the error, omission or material new information that led to the supplement or correction has become known prior to the delivery of the Offer Shares to the investors. Any cancellation of a Commitment must concern the total number of shares covered by the Commitment given by an individual investor. If the Finnish Prospectus is supplemented, the supplement will be published through a stock exchange release. The stock exchange release will also include information on the right of the investors to cancel their Commitment in accordance with the Prospectus Regulation.

Procedure to Cancel a Commitment

The cancellation of a Commitment must be notified in writing to the subscription place where the initial Commitment was made, within the time limit set for such cancellation, with the following exemptions:

- The cancellation of the Commitment made online via the Danske Bank eBanking service, corporate eBanking services or Web subscription can be made by visiting a Danske Bank office (excluding corporate offices) in person or through an authorised representative or by calling Danske Bank Investment Advisory Center using Danske Bank's bank identifiers.

- A Commitment made by telephone to the Danske Bank Investment Advisory Center may be cancelled by telephone using Danske Bank's bank identifiers.
- Investors who have submitted their subscriptions via Nordnet must send a written cancellation request within the set time limit by email to operations.fi@nordnet.fi or deliver the cancellation to the Nordnet's office with the following exceptions: the Commitment submitted by Nordnet's own customers via Nordnet's online service can be cancelled through an authorised representative or via Nordnet's online service by accepting a separate cancellation of Commitment by using the Nordnet's bank identifier.

A cancellation of a Commitment applies to the entire Commitment. After the time limit set for cancellation has expired, the cancellation right is no longer valid. If the Commitment is cancelled, the subscription place refunds the sum paid for the Offer Shares to the bank account specified in the Commitment. To Nordnet's own customers who gave their Commitments via Nordnet's subscription place, the amount to be refunded will be paid to Nordnet cash accounts. The payment is refunded as soon as possible after the cancellation, approximately within five (5) banking days of serving the subscription place with the cancellation notice. If an investor's bank account is in a different bank than the place of subscription, the refund will be paid to the investor's Finnish bank account in accordance with the payment schedule of the financial institutions, approximately no later than two (2) banking days thereafter. No interest will be paid on the refunded amount.

Entry of Offer Shares into Book-entry Accounts

Investors who have submitted a Commitment must have a book-entry account with a Finnish account operator or an account operator operating in Finland, and investors must specify the details of their book-entry account in their Commitments. Subscriptions to equity savings accounts can be made through Danske Bank only to an equity savings account provided by Danske Bank and through Nordnet only to an equity savings account provided by Nordnet. The Offer Shares allocated in the Public Offering and Personnel Offering are recorded in the book-entry accounts of investors who have made an approved Commitment on or about the first banking day after the Completion Decision takes place, on or about 26 March 2021. In the Institutional Offering, investors should contact the Joint Global Coordinators of the Offering with respect to the book-entry accounts. In the Institutional Offering, the allocated Offer Shares will be ready to be delivered against payment on or about 30 March 2021, through Euroclear Finland Ltd. New Shares allocated and paid for in the Personnel Offering will be entered into the investors' book-entry accounts on or about 15 April 2021.

Title and Shareholder Rights

The title to the Offer Shares will be transferred when the Offer Shares are paid for, the New Shares are registered in the Trade Register maintained by the Finnish Patent and Registration Office (the "**Trade Register**") and the Offer Shares are recorded in the investor's book-entry account. Offer Shares carry rights equal to all other Shares in the Company and they will entitle their holders to dividends and other distributions of funds as well as other rights related to the Shares when the title has been transferred.

Transfer Tax and Other Expenses

Transfer tax will not be levied in connection with the issuance or subscription of the New Shares in Finland. Account operators charge fees in accordance with their price lists for the maintenance of the book-entry account and for safekeeping of shares. The Sale Shares are being sold in connection with commencement of trading in the Shares on the prelist of the Helsinki Stock Exchange, and no transfer tax is expected to be payable for these transfers in Finland. Should transfer tax be levied, the Sellers will pay the transfer tax levied on the sale of their Sale Shares.

Trading in the Shares

Before the Offering, the Shares have not been subject to trading on a regulated market or multilateral trading facility. The Company will submit a listing application to the Helsinki Stock Exchange for the Shares to be listed on the official list of the Helsinki Stock Exchange. Trading of the Shares on the prelist of the Helsinki Stock Exchange is expected to commence on or about 26 March 2021, and on the official list of the Helsinki Stock Exchange on or about 30 March 2021. Trading of the New Shares allocated and paid for in the Personnel Offering is expected to commence on the official list of Nasdaq Helsinki on or about 15 April 2021. The trading code of the Shares is SITOWS and the ISIN code is FI4000480215.

When the trading on the prelist commences on or about 26 March 2021, not all of the Shares may necessarily have been fully transferred to the investors' book-entry accounts. If an investor wishes to sell Shares purchased or subscribed for by it in the Offering on the prelist, the investor should ensure that the number of Shares registered to its book-entry account covers the transaction in question at the time of clearing.

Right to Cancel the Offering

The Company's Board of Directors and Intera have the right to cancel the Offering at any time before the decision to execute it is made on the grounds of, for example, the market conditions, the Company's financial position or a material change in the Company's business. If the Offering is cancelled, the subscription price paid by the investors will be refunded in approximately five (5) banking days from the cancellation decision. If an investor's bank account is in a different bank than the place of subscription, the refund will be paid to a Finnish bank account in accordance with the payment schedule of the financial institutions, approximately no later than two (2) banking days thereafter. To Nordnet's own customers who gave their Commitments via Nordnet's subscription place, the refunded amount will be paid to Nordnet cash account. No interest will be paid on the refunded amount.

Lock-up

The Company and Intera are expected to commit during the period that will end 180 days from the Listing, without the prior written consent of the Joint Global Coordinators, not to issue, offer, hypothecate, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of (or publicly announce such action), directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for Shares, or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise, or submit to the Company's shareholders a proposal to effect any of the foregoing. The lock-up does not apply to the measures related to the execution of the Offering. The Joint Global Coordinators have agreed to waive the Company's lock-up in connection with M&A transactions entered into prior to the end of the lock-up period, provided that the aggregate number of new Shares issued by the Company shall not exceed 5 percent of the Shares (calculated based on the number of Shares outstanding following the Offering), and that the remaining lock-up period will apply to such new Shares.

The members of the Board of Directors and management team of the Company are expected to commit to a lock-up agreement with similar terms to that of the Company and Intera that will end on the date that falls 360 days from the Listing.

The Sellers (excluding Intera) and certain other shareholders have agreed to comply with a lock-up agreement with similar terms to that of the Company and Intera that will end on the date that falls either 180 or 360 days from the Listing.

According to the terms and conditions of the Personnel Offering, the personnel participating in the Personnel Offering must agree to comply with the lock-up with similar terms to that of the Company and Intera that will end on the date that falls 360 days from the Listing.

In aggregate, the terms of lock-up agreements apply to approximately 52.3 percent of the Shares after the Offering without the Over-allotment Option and the possible New Shares subscribed for by the members of the Board of Directors and the management team in the Public Offering (approximately 45.0 percent with the Over-allotment Option) assuming that the Sellers will sell the maximum number of Sale Shares and that the Company will issue 9,176,341 New Shares.

Other Matters

The Board of Directors of the Company will decide on other issues and practical matters related to the Share Issue and on the practical arrangements resulting therefrom. The Company and Intera, together with the Joint Global Coordinators, will decide on other issues and practical matters relating to the Share Sale.

Documents on Display

The Company's latest financial statements, annual report and the auditor's report as well as the other documents pursuant to Chapter 5, section 21 of the Finnish Limited Liability Companies Act (624/2006, as amended), are available during the subscription period at the Company's offices at Linnoitustie 6 D, FI-02600 Espoo, Finland.

Applicable Law

The Offering shall be governed by the laws of Finland. Any disputes arising in connection with the Offering shall be settled by a court of competent jurisdiction in Finland.

Special Terms and Conditions Concerning the Public Offering

Overview

Preliminarily a maximum of 1,000,000 Offer Shares are offered in the Public Offering to private individuals and entities in Finland. Depending on the demand, the Company and Intera may reallocate Offer Shares between the Public Offering, Institutional Offering and Personnel Offering in deviation from the preliminary number of shares without limitation. However, the minimum number of Offer Shares to be offered in the Public Offering will be 1,000,000 Offer Shares or, if the aggregate number of Offer Shares covered by the Commitments submitted in the Public Offering is smaller than this, such aggregate number of Offer Shares as covered by the Commitments.

The place of subscription has the right to reject a Commitment, either partially or wholly, if the Commitment does not comply with the terms and conditions herein or if it is otherwise incomplete.

Right to Participate and the Minimum and Maximum Amounts for Commitments

Offer Shares will be offered in the Public Offering to investors whose domicile is in Finland and who submit their Commitments in Finland. Entities submitting a Commitment must have a valid legal entity identifier ("**LEI**") code. Commitments in the Public Offering must be no less than 100 Offer Shares and no more than 15,000 Offer Shares. Each investor may only provide one Commitment in the Public Offering. If an investor provides Commitments in the Public Offering in more than one place of subscription, only the first Commitment will be considered when allocating the Offer Shares. However, Commitments given by the same investor in both the Public Offering and in the Personnel Offering will not be combined.

Places of Subscription and Submission of Commitments

A Commitment is considered to have been made when the investor has submitted a signed commitment form to the place of subscription in accordance with instructions of the place of subscription or when the investor has confirmed the Commitment with bank identifiers in accordance with the instructions of the place of subscription and paid for the subscription concerned by the Commitment. A Commitment submitted as a web subscription is deemed to have been made when the investor has made the Commitment in accordance with the terms and conditions of the web subscription or has confirmed the Commitment with his or her bank identifiers and paid for the share subscription price in accordance with the Commitment. Any more detailed instructions issued by the place of subscription must be taken into consideration when submitting a Commitment.

Commitments may only be cancelled in the manner and situations referred to under "*– General Terms and Conditions of the Offering – Cancellation of Commitments*".

The places of subscription in the Public Offering for Danske Bank book-entry or equity savings account customers are:

- Danske Bank eBanking service with bank identifiers for private customers at www.danskebank.fi;
- Danske Bank corporate eBanking service in the Markets Online module for District customers;
- Danske Bank Investment Center with Danske Bank's bank identifiers by telephone, 9:00 a.m. to 6:00 p.m. Monday to Friday, tel. +358 200 20109 (local network charge/mobile call charge). Danske Bank's Investment Center calls will be recorded;

- Danske Bank offices in Finland during normal business hours; and
- Danske Bank Private Banking offices in Finland (for Danske Bank Private Banking customers only).

Submitting a Commitment by phone via Danske Bank's Investment Center or Danske Bank eBanking service requires a valid eBanking agreement with Danske Bank.

Commitments to equity savings accounts can be submitted through Danske Bank only to equity savings accounts registered with Danske Bank.

The places of subscription in the Public Offering for persons who are not book-entry account customers of Danske Bank are:

- Danske Bank e-subscription for private customers at www.danskebank.fi. A Commitment can be made through the online service with the bank identifiers of Aktia, Danske Bank, Handelsbanken, Nordea, Oma Savings Bank, Osuuspankki, POP Bank, S-Bank, Savings Bank, and Ålandsbanken; and
- Danske Bank offices (excluding corporate offices) in Finland during normal business hours. Information on the offices offering subscription services is available by phone using Danske Bank's Investment Center, 9:00 a.m. to 6:00 p.m. Monday to Friday, tel. +358 200 20109 (local network charge/mobile call charge) or online at www.danskebank.fi. Danske Bank's Investment Center calls will be recorded.

Through the e-subscription of Danske Bank, individual investors can submit Commitments up to EUR 100,000 in the Public Offering. If the subscription exceeds EUR 100,000 the Commitment can be given at Danske Bank banking offices.

The Offer Shares covered by a Commitment must be paid using an account in the name of the investor making the Commitment.

Corporations may not submit Commitments via Danske Bank's e-subscription.

The place of subscription in the Public Offering for Nordnet book-entry account and equity savings account customers are:

- Nordnet's online service at www.nordnet.fi/fi/sitowise. Submitting a Commitment via Nordnet's online service requires personal bank identifiers. The Commitment can also be made on behalf of corporation through Nordnet's online service. Subscriptions to equity savings accounts can be made through Nordnet only to equity savings accounts provided by Nordnet.

Commitments by or on behalf of persons under the age of 18, or otherwise under guardianship, must be made by their legal guardians and may require the consent of the local guardianship authority in Finland. A guardian may not subscribe for Shares without the permission of the local guardianship authority, as the Shares are not subject to trading on a regulated market at the time of the Commitment.

Payment of Offer Shares

When submitting a Commitment, the Subscription Price (*i.e.*, EUR 8.20 per Offer Share) multiplied by the number of Offer Shares covered by the Commitment. If the Subscription Price is lowered, the new Subscription Price will be applied to the Commitments submitted thereafter.

The payment of a Commitment submitted in a banking office of Danske Bank, Danske Bank's Private Banking offices or via Danske Bank's Investment Center will be debited directly from the investor's bank account in Danske Bank, or it may be paid by bank transfer. The payment corresponding to a Commitment that has been submitted through Danske Bank eBanking service or Danske Bank corporate eBanking services will be charged from the investor's bank account when the investor confirms the Commitment with his or her bank identifiers. The payment of a Commitment submitted through Danske Bank e-subscription must be made in accordance with the terms and conditions and instructions of e-subscription immediately after the Commitment has been submitted.

The Commitments submitted through Nordnet's online service will be debited from the investor's cash account in Nordnet when the investor confirms the Commitment with his/her bank identifier.

Approval of Commitments and Allocation

The Company and Intera will decide on the allocation of Offer Shares in the Public Offering to investors after the Completion Decision. The Company and Intera will decide on the procedure to be followed in any over-demand situations. Commitments may be approved or rejected in whole or in part. In the event of an oversubscription, the Company and Intera aim to approve subscribers' Commitments in whole up to 100 Offer Shares and, for Commitments exceeding this amount, the Company and Intera allocate Offer Shares in proportion to the amount of Commitments unmet. Confirmations regarding the approval of the Commitments and the allocation of Offer Shares will be sent to the investors who have submitted their Commitments in the Public Offering and been allocated Offer Shares as soon as possible and at the latest on or about 8 April 2021. Investors who have submitted their Commitments as Nordnet's customers through Nordnet's online service, will see their Commitments as well as allocation of Offer Shares on the transaction page of Nordnet's online service.

Refunding of Paid Amounts

If the Commitment is rejected or only partially approved and/or if the Subscription Price is changed and the new Subscription Price is lower than the amount paid at the time of submitting the Commitment, the excess amount paid will be refunded to the party that made the Commitment to the Finnish bank account identified in the Commitment on or about the fifth (5) banking day after the Completion Decision, on or about 1 April 2021. If an investor's bank account is in a different bank than the place of subscription, the refund will be paid to a bank account in accordance with the payment schedule of the financial institutions, approximately no later than two (2) banking days thereafter. If Commitments submitted by the same investor have been combined, any refund will be paid to the same bank account from which the subscription payment was made. For Nordnet customers who gave their Commitments via Nordnet's subscription place, the amount to be refunded will be paid to Nordnet cash accounts. No interest will be paid on the refunded amount. See also "*– General Terms and Conditions of the Offering – Cancellation of Commitments – Procedure to Cancel a Commitment*" above.

Entry of Offer Shares into Book-entry Accounts

Parties submitting Commitments in the Public Offering must have a book-entry account with a Finnish account operator or an account operator operating in Finland, and the party must specify the details of its book-entry account in its Commitment. Subscriptions to equity savings accounts can be made through Danske Bank only to an equity savings account provided by Danske Bank and through Nordnet only to an equity savings account provided by Nordnet. The Offer Shares allocated in the Public Offering will be recorded in the book-entry accounts of investors who have made an approved Commitment, on or about the first banking day after the Completion Decision on or about 26 March 2021.

Special Terms and Conditions Concerning the Institutional Offering

Overview

Preliminarily a maximum of 18,317,085 Offer Shares are being offered in the Institutional Offering to institutional investors through private placements in Finland and, in accordance with the applicable laws, internationally on the terms and conditions set forth herein. Depending on the demand, the Company and Intera may reallocate Offer Shares between the Public Offering, Institutional Offering and Personnel Offering in deviation from the preliminary number of shares without limitation. However, the minimum number of Offer Shares to be offered in the Public Offering will be 1,000,000 Offer Shares or, if the aggregate number of Offer Shares covered by the Commitments submitted in the Public Offering is smaller than this, such aggregate number of Offer Shares as covered by the Commitments.

Offer Shares will be offered in the Institutional Offering outside the United States in offshore transactions in compliance with the U.S. Securities Act and otherwise in compliance with said regulation. The Shares (including the Offer Shares) have not been, and will not be, registered under the U.S. Securities Act or under the securities laws of any state of the United States and, accordingly, will not be offered or sold, directly or indirectly, in or into the United States (as defined in Regulation S of the U.S. Securities Act). For more information on restrictions concerning the offering of the Offer Shares, see "*Important Information*".

The Joint Global Coordinators have the right to reject an offer by an institutional investor in the Institutional Offering ("**Purchase Offer**"), either partially or wholly, if it does not comply with the terms and conditions herein or if it is otherwise incomplete.

Right to Participate and Place of Subscription

An investor, whose Purchase Offer is at least 15,001 Offer Shares, may participate in the Institutional Offering. Entities submitting a Purchase Offer must have a valid LEI code.

The Purchase Offers of institutional investors will be received by the Joint Global Coordinators of the Offering.

Approval of Purchase Offers and Allocation

The Company and Intera will decide on the acceptance of Purchase Offers submitted in the Institutional Offering after the Completion Decision. The Company and Intera will decide on the procedure to be followed in any over-demand situations. Purchase Offers may be approved or rejected in whole or in part. A confirmation of the approved Purchase Offers in the Institutional Offering will be provided as soon as practicable after the allocation.

Payment of Offer Shares

Institutional investors must pay for the Offer Shares corresponding to their accepted Purchase Offers in accordance with the instructions issued by the Joint Global Coordinators on or about 30 March 2021. If necessary in connection with a Purchase Offer being made or before the approval of a Purchase Offer, the Joint Global Coordinators have the right, provided by the duty of care set for securities intermediaries, to require that the investor provide information concerning its ability to pay for the Offer Shares corresponding to its Purchase Offer or require that the payment for the Offer Shares concerned by the Purchase Offer be made in advance. The amount to be paid in this connection is the Subscription Price (*i.e.*, EUR 8.20 per Offer Share) multiplied by the number of Offer Shares covered by the Purchase Offer. If the Subscription Price is changed, the new Subscription Price will be applied to the offers submitted thereafter. Possible refunds will be made on or about on the fifth (5th) banking day following the Completion Decision, on or about 1 April 2021. No interest will be paid on the refunded amount.

Subscription Undertakings

Funds managed and advised by Capital World Investors, Didner & Gerge Fonder, Evli Fund Management Company Ltd, Ilmarinen Mutual Pension Insurance Company, Lannebo Fonder AB and Paradigm Capital Value Fund (the "**Cornerstone Investors**"), have each individually in March 2021 given subscription undertakings in relation to the Offering, under which the Cornerstone Investors have, each individually, committed to subscribe for Offer Shares at the Subscription Price, subject to certain conditions being fulfilled, including a condition that the maximum valuation of all of the Company's outstanding Shares (after any proceeds from the Share Issue), based on the Subscription Price, does not exceed EUR 288 million. According to the terms and conditions of the subscription undertakings, the Cornerstone Investors will be guaranteed the number of Offer Shares covered by the subscription undertaking. The Cornerstone Investors will not be compensated for their subscription undertakings.

The Cornerstone Investors have given subscription undertakings as follows:

- The commitment of the funds' managed and advised by Capital World Investors undertaking amounts to USD 15 million.
- The commitment of Didner & Gerge Fonder's undertaking amounts to EUR 12 million.
- The commitment of Evli Fund Management Company Ltd's undertaking amounts to EUR 12 million.
- The commitment of Ilmarinen Mutual Pension Insurance Company's undertaking amounts to EUR 14 million.
- The commitment of Lannebo Fonder AB's undertaking amounts to EUR 15 million.
- The commitment of Paradigm Capital Value Fund's undertaking amounts to EUR 10 million.

The subscription undertakings of the Cornerstone Investors represent approximately 54.1 percent of the Offer Shares assuming that the Over-allotment Option will not be exercised (approximately 47.0 percent assuming that the Over-allotment Option will be exercised in full), and assuming that the Sellers will sell the maximum amount of Sale Shares and that the Company will issue 9,176,341 New Shares.[3] Each of the subscription undertakings of the Cornerstone Investors represents more than five percent of the Offer Shares, calculated using the same assumptions as in the preceding sentence.

Special Terms and Conditions Concerning the Personnel Offering

Overview

Preliminarily a maximum of 300,000 personnel shares and, in the event of an oversubscription, a maximum of 700,000 additional personnel shares ("**Personnel Shares**") are being offered for subscription in the Personnel Offering to all employees of the Company or its subsidiaries in Finland, Sweden, Estonia and Latvia with an employment relationship with the Company or its subsidiaries at the start of the subscription period on 15 March 2021 which has not been terminated at the end of the subscription period, as well as to the members of the Board of Directors, management team and Chief Executive Officer of the Company (the "**Personnel**"). Depending on the demand, the Company may reallocate Offer Shares between the Public Offering, Institutional Offering and Personnel Offering in deviation from the preliminary number of shares without limitation. Notwithstanding the above, the minimum number of Offer Shares to be offered in the Public Offering will be a number that corresponds to 1,000,000 Offer Shares or, if the aggregate number of Offer Shares covered by the Commitments submitted in the Public Offering is smaller than this, such aggregate number of Offer Shares as covered by the Commitments submitted in the Public Offering.

Right to Participate in the Personnel Offering

The Personnel in Finland, Sweden, Estonia and Latvia are entitled to subscribe for Personnel Shares. The right to participate in the Personnel Offering is personal and non-transferrable. Personnel entitled to participate may, however, make a subscription through an authorised representative. Personnel participating in the Personnel Offering may also participate in the Public Offering subject to its terms if they wish. However, the Sellers have waived their right to participate in the Personnel Offering, even if they were persons entitled to subscription in the Personnel Offering.

A Commitment provided in the Personnel Offering must concern a minimum of 100 Personnel Shares.

Personnel must agree to comply with the lock-up to participate in the Personnel Offering. In accordance with the lock-up, Personnel participating in the Personnel Offering may not, without the prior written consent of the Joint Global Coordinators (which consent may not be unreasonably withheld), during a period ending 360 days after the Listing, (*i.e.*, on or about 21 March 2022) sell, short sell, or otherwise directly or indirectly transfer Personnel Shares, option rights or warrants to own Personnel Shares or other securities exchangeable for or convertible into or exercisable for Personnel Shares that they may hold or have purchased in the Personnel Offering or be authorised to transfer. When making subscriptions, persons participating in the Personnel Offering accept that they will be bound without separate measures by the aforementioned lock-up period and that it will be recorded on the subscriber's book-entry account by the Company.

Subscription Price of the Personnel Offering and the Allocation of Personnel Shares

The subscription price in the Personnel Offering is 10 percent lower than the Subscription Price (*i.e.*, EUR 7.38 per New Share) (the "**Subscription Price of the Personnel Offering**").

The Board of Directors will decide on the allocation in the Personnel Offering after the Completion Decision. The Board of Directors will decide on the procedure to be followed in the event of an oversubscription. Commitments may be approved or rejected in whole or in part. The Board of Directors aims to approve Commitments in full up to the limit that will be set out later and, for Commitments exceeding this amount, define the allocation principles based on the overall demand.

[3] With regard to the undertaking of the funds managed and advised by Capital World Investors, the exchange rate used in the calculation is EUR = USD 1.1866.

Places of Subscription and Submission of Commitments

The subscription places in the Personnel Offering is Evli Alexander Incentives Oy. In the Personnel Offering, Commitments will be submitted and payments will be made in accordance with separate instructions provided to the persons entitled to participate.

The Company, the Joint Global Coordinators or the subscription place have the right to reject a Commitment, either partially or wholly, if the Commitment does not comply with the terms and conditions herein or if it is otherwise incomplete.

Payment and Registration of the Personnel Shares

The payments of the Personnel Shares will be made in accordance with separate instructions provided to the persons entitled to participate. Personnel Shares allocated and paid for in the Personnel Offering are registered in the Trade Register on or about 14 April 2021.

Entry of Personnel Shares into Book-entry Accounts

The parties submitting Commitments in the Personnel Offering must have or they must open a book-entry account with a Finnish account operator or with an account operator operating in Finland or they must open a securities account in Evli Bank Plc to be able to participate in the Personnel Offering. Personnel Shares allocated and paid for in the Personnel Offering will be entered into the investors' book-entry accounts/securities accounts on or about 15 April 2021.

4. PARTIES RESPONSIBLE FOR THE OFFERING CIRCULAR

Sitowise
Sitowise Group Plc
Business identity code: 2767842-8
Domicile: Espoo, Finland
Address: Linnoitustie 6, FI-02600 Espoo, Finland

Sellers
See Annex A to this Offering Circular.

5. STATEMENT REGARDING THE OFFERING CIRCULAR

The Company accepts responsibility for the information contained in this Offering Circular. To the best knowledge of the Company, the information contained in this Offering Circular is in accordance with the facts and contains no omission likely to affect its import. To the best knowledge of the Sellers, the information contained in this Offering Circular concerning the Sellers and their shareholdings in the Company is in accordance with the facts and contains no omission likely to affect its import.

6. INFORMATION DERIVED FROM THIRD-PARTY SOURCES

This Offering Circular contains statistics, data and other information relating to the markets, market size, market shares, market positions and other information relating to Sitowise's business, markets, industry and economy. The information is derived from several sources, including a market study by PricewaterhouseCoopers Oy ("**International management consultant analysis conducted in fall 2020 and commissioned by Sitowise**") conducted in fall 2020 and commissioned by Sitowise. Where certain information contained in this Offering Circular has been derived from third party sources, such sources have been identified herein. The Company confirms that such third-party information has been accurately reproduced herein and that, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

However, as Sitowise does not have access to the underlying information, assumptions or presumptions of the market studies, including the International management consultant analysis conducted in fall 2020 and commissioned by Sitowise, or to the statistical data or economic indicators followed by the third-party studies, Sitowise cannot give any assurances as to the correctness of such information. Furthermore, third-party market studies are frequently based on information and assumptions that may not be exact or appropriate, and their methodology is by nature forward-looking and speculative. Therefore, changes in the postulates and their premises on which third-party market studies are based, could have a significant influence on the analyses and conclusions made. The statements in this Offering Circular on Sitowise's market position are based on the understanding, internal studies and assessments of Sitowise as well as the reports and surveys it has commissioned, which the Company deems to be reliable. The Company cannot, however, guarantee that any of these statements are accurate or give an accurate description of Sitowise's position in its market, and none of Sitowise's internal studies or information has been verified using external sources independent of those commissioned by Sitowise.

7. AVAILABILITY OF THE FINNISH PROSPECTUS AND THE OFFERING CIRCULAR

The Finnish Prospectus and the documents incorporated therein by reference will be available on or about 15 March 2021 on the Company's website at www.sitowise.com/listautuminen and at the registered office of the Company at Linnoitustie 6 D, FI-02600 Espoo, Finland. In addition, the Finnish Prospectus will be available on or about 15 March 2021 at Carnegie's branch offices, on the website of Danske at www.danskebank.fi/sitowise and on the website of Nordnet at www.nordnet.fi/fi/sitowise and at the Helsinki Stock Exchange at Fabianinkatu 14, FI-00100 Helsinki.

The English language Offering Circular will be available on or about 15 March 2021 on the Company's website at www.sitowise.com/ipo and on the website of Danske at www.danskebank.fi/sitowise-en.

8. INFORMATION ON THE COMPANY'S WEBSITE IS NOT INCLUDED IN THE OFFERING CIRCULAR

This Offering Circular will be published on the Company's website at www.sitowise.com/ipo. Information presented on the website of the Company or any other website is not part of this Offering Circular, and the prospective investors should not rely on such information in making their decision to invest in securities. However, as an exception to the above, the information incorporated by reference in the Offering Circular, which is available on the Company's website, as well as possible supplements of the Offering Circular, are part of the Offering Circular.

9. INFORMATION AVAILABLE IN THE FUTURE

The Company plans to publish its annual report, which includes audited consolidated financial statements, for the financial year ending 31 December 2021 onwards, as well as interim reports, which include unaudited consolidated interim financial statements, for the three months period ending 31 March 2021 onwards. The Company plans to annually publish interim reports which include unaudited consolidated interim financial statements, for the first, second and third quarter. An interim report for the three months period ending 31 March 2021 is planned to be published on 19 May 2021, an interim report for the six months period ending 30 June 2021 is planned to be published on 18 August 2021, and an interim report for the nine months period ending 30 September 2021 is planned to be published on 10 November 2021. All annual reports, interim reports and stock exchange releases are published both in Finnish and in English.

10. FINANCIAL STATEMENTS RELATED AND CERTAIN OTHER INFORMATION

10.1 Financial Statements and Interim Financial Information

The Company has prepared the consolidated financial statements according to the International Financial Reporting Standards ("**IFRS**") for the financial years ended 31 December 2020 and 2019, which are incorporated by reference to this Offering Circular. The Company's audited consolidated financial statements for the financial year ended 31 December 2019, prepared in accordance with IFRS, include the unaudited comparative figures for the financial year ended 31 December 2018, as well as the unaudited opening IFRS balance sheet as per date of transition 1 January 2018. Prior to that, the Company prepared its consolidated financial statements according to the Finnish accounting standards ("**FAS**").

The audited consolidated financial statements as at and for the financial year ended 31 December 2018, prepared in accordance with FAS, are incorporated to this Offering Circular by reference.

10.2 Alternative Performance Measures

Sitowise presents in this Offering Circular certain performance measures which, according to the "Alternative Performance Measures" guidelines by the European Securities and Markets Authority ("**ESMA**"), are not accounting measures of historical financial performance, financial position and cash flows, defined or specified in IFRS, but which are instead alternative performance measures. In the Company's view, alternative performance measures provide meaningful supplemental information about the Company to the management, investors, securities market analysts and others regarding the Company's results of operations, financial position and cash flows.

In line with its aim of promoting the protection of current and potential investors, Article 6 of the Prospectus Regulation sets out the principle that the information in a prospectus shall be written and presented in an easily analyzable, concise and comprehensible form. According to ESMA, in case persons responsible for the prospectus decide to include alternative performance measures ("**APMs**") in a prospectus, this principle of comprehensibility dictates that such APMs should be defined, provided with meaningful labels and reconciled to financial statements and their relevance and reliability should be explained. These alternative performance measures are:

• Organic growth in net sales	• Net debt (excluding lease liabilities)
• Operating profit excluding amortization of intangible assets (EBITA)	• Net debt (excluding lease liabilities) / Adjusted EBITDA (multiple)

• Operating profit excluding amortization of intangible assets (%) (EBITA margin)	• Gearing (excluding lease liabilities), %
• Adjusted operating profit excluding amortization of intangible assets (Adjusted EBITA)	• Equity ratio (%)
• Adjusted operating profit excluding amortization of intangible assets (%) (Adjusted EBITA margin)	• Return on equity (ROE), %
• EBITDA	• Return on capital employed (ROCE), %
• Adjusted EBITDA	• M&A capex
• Operating profit	• Operative free cash flow
• Operating profit margin (%)	• Cash conversion (%)

For the detailed definitions and reasons for the use of these alternative performance measures, see "*Selected Financial Information – Calculation of Certain Alternative Performance Measures and Other Key Figures*".

10.3 Auditors

The Company's consolidated financial statements as at and for the financial years ended 31 December 2020, 2019 and 2018 have been audited by KPMG Oy Ab Authorised Public Accountants, with Turo Koila, Authorised Public Accountant, as the auditor with principal responsibility. KPMG Oy Ab Authorised Public Accountants was elected the auditor for the financial year ending 31 December 2021 with Turo Koila as the auditor with principal responsibility. Turo Koila is registered in the register of auditors in accordance with Chapter 6 Section 9 in the Finnish Auditing Act (1141/2015, as amended).

10.4 Other Information

The financial and other information presented in the tables in this Offering Circular are rounded. Accordingly, in certain cases the sum of numbers presented in a column or row does not always correspond to the presented total sum of a column or a row. In addition, certain percentages are calculated with accurate numbers before rounding, so they do not necessarily correspond to the results that would have been reached if rounded figures had been used.

In this Offering Circular, "euro" or "EUR" are references to the currency used by member states of the Economic and Monetary Union of the European Union, "SEK" or "Swedish krona" means the lawful currency of Sweden, and "USD" means the lawful currency of the United States of America.

11. FORWARD-LOOKING STATEMENTS

Certain statements in the Offering Circular, such as certain statements set forth under "*Summary*", "*Risk Factors*", "*Background of the Offering and Use of Proceeds*" and "*Operating and Financial Review and Prospects – Prospects*" are based on the beliefs of the Company's management as well as assumptions made by and information currently available to the Company's management, and such statements may constitute forward-looking statements. The words "believe", "expect", "anticipate", "intend" or "plan" and similar verbs or expressions identify certain of such forward-looking statements.

Such forward-looking statements involve known and unknown risks, uncertainties and other important factors, and as a result, events described in the forward-looking statements may not occur or may fail to materialize. The section "*Risk Factors*" of this Offering Circular presents examples of these and other risks, uncertainties and other factors. Should one or more of these and other risks or uncertainties materialize or the underlying assumptions prove wrong, Sitowise's actual results of operations or financial position could differ significantly from what is described in this Offering Circular as expected, believed, estimated or anticipated.

12. NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

In any member state of the European Economic Area (the "**EEA**") (each, a "**Relevant Member State**"), this Offering Circular is only addressed to, and is only directed at, qualified investors in that Relevant Member State within the meaning of the Prospectus Regulation.

This Offering Circular has been prepared on the basis that any Offer Shares in any Relevant Member State, other than the offer in Finland, contemplated by the Finnish Prospectus, will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Offer Shares. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares which is subject of the offering contemplated in this Offering Circular may only do so in circumstances in which no obligation arises for the Company, any of the Sellers or any of the Joint Global Coordinators to publish a prospectus for such offer. None of the Company, the Sellers, or the Joint Global Coordinators authorize the making of any offer of Offer Shares through any financial intermediary other than offers made by the Joint Global Coordinators which constitute the final placement of Offer Shares contemplated in this Offering Circular.

13. NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Offering Circular is only being distributed to, and is only directed at, (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons being referred to as Relevant Persons). Any person who is not a Relevant Person should not act or rely on this document or any of its contents.

14. BACKGROUND OF THE OFFERING AND USE OF PROCEEDS

14.1 Reasons for the Offering

The objective of the Offering is to enable Sitowise to implement its growth strategy and increase strategic flexibility by strengthening Sitowise's balance sheet. Furthermore, the Offering is expected to benefit Sitowise by strengthening Sitowise's recognition and brand awareness among customers, potential new employees, investors and in the technical consulting sector in general, and thus enhance Sitowise's competitiveness and support its growth strategy. The Listing would also enable the Company to obtain access to capital markets to raise new capital to support its growth strategy and broaden the Company's ownership base with domestic and foreign investors, which would increase the liquidity of the Shares. The Listing and increased liquidity would also make it possible to use the Shares more effectively as a means of consideration in potential acquisitions and in incentive programs for personnel.

14.2 Use of proceeds

The gross proceeds that the Sellers will receive from the Shares Sale will amount to approximately EUR 64.6 million (assuming that the Sellers sell the maximum amount of Sale Shares and the Over-Allotment Option would not be used). The fees to be paid by the Sellers in connection with the Offering are expected to amount to approximately EUR 2.7 million (assuming that the Sellers sell the maximum amount of Sale Shares and the Over-allotment Option would not be used and the discretionary fee would be paid in full).

In the Offering, Sitowise aims to collect gross proceeds of approximately EUR 75 million by offering a maximum of 9,176,341 New Shares for subscription.

Sitowise estimates that the fees and expenses payable by it in relation to the Offering will amount to approximately EUR 6.3 million (assuming that the Company will receive EUR 75 million gross proceeds and the discretionary fee is paid in full), and as such, the net proceeds that Sitowise will receive from the Offering are estimated to be approximately EUR 68.7 million. Sitowise will not receive any share of the proceeds from existing Sale Shares sold by the Sellers in the Offering. Sitowise and the Sellers will pay the Joint Global Coordinators the combined selling and arrangement fees according to the Placing Agreement.

The proceeds from the Share Issue are intended to be used for repayment of Sitowise's existing bank loans in connection with the refinancing with EUR 32,5 million (see also "*Operating and Financial Review and Prospects – Liquidity and Capital Resources – Net Debt – Refinancing*" as well as to repay the Company's shareholder loans and accrued but unpaid interest thereon with EUR 14.3 million, and to redeem all class P1 and class P2 shares of the Company with EUR 21.4 million in connection with the Listing. As at the date of this Offering Circular, nearly all shareholders of the Company, except Intera, hold both class A shares and class P shares. In addition, the proceeds from the Share Issue are intended to be used to support Sitowise's growth strategy, including financing of acquisitions.

15. CAPITALISATION AND INDEBTEDNESS

The following table sets forth Sitowise's capitalisation and indebtedness as at 31 December 2020 (i) as realized based on the Company's audited consolidated financial statements as at and for the financial year ended 31 December 2020 and (ii) as adjusted by the estimated net proceeds of EUR 68.7 million from the Share Issue, repayment of the shareholder loans and any accrued interest by EUR 14.3 million, redemption of the preferred shares and payment of any accrued preferred payments by EUR 21.4 million, repayment of the current bank loans by EUR 72.0 million, withdrawal of the new bank loans of EUR 40.0 million under the new financing agreement in connection with the Listing, increase in share capital in order to change the corporate form to public limited company, and payment of dividends. The table shall be read with notice of the fact that there is uncertainty as to the materialization of the Share Issue.

This table should be read together with the following sections of this Offering Circular: "*Selected Financial Information*" and "*Operating and Financial Review and Prospects*", including "*Operating and Financial Review and Prospects – Liquidity and Capital Resources*" as well as the Company's audited consolidated financial statements as at and for the financial year ended 31 December 2020, incorporated by reference to this Offering Circular.

EUR thousand	**As at 31 December 2020 Actual (audited)**	**As at 31 December 2020 Adjusted (unaudited)**
Current financial liabilities		
Guaranteed/Secured[1]	9,379	6,061[2]
Unguaranteed/Unsecured	-	-
Total	**9,379**	**6,061**
Non-current financial liabilities		
Guaranteed/Secured[1]	92,554	23,826[2]
Unguaranteed/Unsecured	-	40,000[2]
Total	**92,554**	**63,826**
Total financial liabilities	**101,934**	**69,887**
Equity		
Share capital	3	80[3]
Reserve for invested unrestricted equity	40,663	88,181[4, 5]
Fair value reserve	230	230
Subordinated loans	14,145	-[5]
Translation difference	360	360
Retained earnings	11,370	10,778[6]
Non-controlling interest	110	110
Total equity	**66,880**	**99,740**
Total equity and financial liabilities	**168,814**	**169,627**
Net indebtedness		
Liquidity (A)		
Cash and cash equivalents	15,463	16,312[4, 5]
Total	**15,463**	**16,312**
Current financial liabilities (B)		
Loans from financial institutions	3,318	-
Other current financial liabilities	6,061	6,061
Total	9,379	**6,061**
Current net indebtedness (C = B–A)	**(6,084)**	**(10,251)**

Non-current financial liabilities (D)		
Loans from financial institutions	68,728	40,000
Other non-current financial liabilities	23,826	23,826
Total	**92,554**	**63,826**
Net indebtedness (C + D)	**86,470**	**53,575**

[1] Current and non-current financial liabilities include lease liabilities (IFRS 16).
[2] Previous bank loans of the Company will be repaid in connection with the Listing and, at the same time, a bank loan under the new financing arrangement will be withdrawn. Current financial liabilities have been adjusted by EUR 3.3 million and non-current financial liabilities by EUR 68.7 million due to the repayment of the previous bank loan. Moreover, non-current financial liabilities have been adjusted by EUR 40 million, based on the assumption that, under the new EUR 100 million financing arrangement, a EUR 40 million bank loan will be withdrawn. Cash and cash equivalents have been adjusted by EUR 72 million due to the repayment of the previous bank loan and by EUR 40 million due to the withdrawal of the new bank loan.
[3] The increase in the Company's share capital by transferring EUR 78 thousand from the reserve for invested unrestricted equity, which was unanimously resolved on by the shareholders on 1 March 2021, has been adjusted to increase the share capital and to decrease the reserve for invested unrestricted equity.
[4] The Company aims to raise gross proceeds of EUR 75 million with the Share Issue and assumes to pay EUR 6.3 million as fees related to the Share Issue and the Listing. Reserve for invested unrestricted equity has been adjusted by the approximate net proceeds of EUR 68.7 million. Cash and cash equivalents have been adjusted by EUR 69.2 million, as EUR 0.5 million of the fees related to the Share Issue and the Listing have already been paid by 31 December 2020.
[5] The Company will use proceeds received from the Share Issue to repay the shareholder loans and any accrued interest. Subordinated loans have been adjusted by EUR 14.1 million and cash and cash equivalents have been adjusted by EUR 14.3 million due to the repayment of the shareholder loan. In addition, the Company will use proceeds received from the Share Issue to redeem the class P1 and P2 shares. Reserve for invested unrestricted equity has been adjusted by EUR 21.1 million due to the redemption of class P shares, and cash and cash equivalents have been adjusted by EUR 21.4 million due to the redemption of class P shares and payment of any accrued preferred payments. The subscription price of class P shares issued after 31 December 2020 as well as the redemption price of such shares are not taken into account in the adjustment (each EUR 0.3 million).
[6] Retained earnings have been adjusted by EUR 0.6 million due to dividends paid after 31 December 2020.

For information about the off-balance-sheet liabilities and given collaterals, see "*Operating and Financial Review and Prospects – Balance Sheet Information – Off-balance-Sheet Liabilities*".

Apart from what has been presented above, there have not been any material changes in the Company's capitalisation and indebtedness since 31 December 2020.

15.1 Working Capital Statement

In the opinion of the Company's management, the Company's working capital is sufficient for the Company's present needs for the next 12 months following the date of this Offering Circular.

16. DIVIDENDS AND DIVIDEND POLICY

Sitowise aim is to carry out an active dividend policy which is tied to the results for the financial year and to the available growth investment opportunities. The Board of Directors of the Company makes a proposal of the amount of distributed dividends annually. According to Sitowise's dividend policy, Sitowise targets paying a dividend corresponding to 30–50 percent of net profit. Any potential payments of dividends shall take into account acquisitions, the Company's financial position, cash flow and future growth opportunities.

Although there are no plans to change the dividend policy, there can be no assurances that dividends or equity returns will actually be paid in the future, nor can there be no assurances as to the amount of dividends or equity returns to be paid for a particular year.

The Company has distributed preferred payments on the class P1 and P2 shares as dividends and capital repayments. The Company paid as dividends a total of EUR 297,600.57 on the P1 and P2 shares of the Company for the financial year ended 31 December 2020, a total of EUR 661,816.23 on the P1 shares of the Company for the financial year ended 31 December 2019, and a total of EUR 596,638.39 on the P1 shares of the Company for the financial year ended 31 December 2018. In addition, the Company paid a total of EUR 1,956,131.18 in 2020 and a total of EUR 591,569.11 in 2021 as capital repayments on the class P1 and P2 shares. For further information on preferred payments on the P shares, please see "*Shares and Share Capital – Share Information – General*".

Under the Finnish Companies Act, the General Meeting of Shareholders decides on the distribution of dividends based on a proposal by the Company's Board of Directors. Dividends are generally declared once every financial year and may be paid only after the General Meeting of Shareholders has approved the Company's financial statements. If dividends are distributed, all of the Shares of the Company are entitled to the same dividend. The dividends paid by the Company for any financial period will not be indicative of the dividends to be paid after the said financial period. For a description of the restrictions applicable to dividend distributions, see "*Shares and Share Capital – Shareholders' Rights – Dividend and Distribution of Other Unrestricted Equity*".

As to the tax considerations for certain shareholders applicable to dividends, see *"Taxation"*.

17. MARKET AND INDUSTRY OVERVIEW

17.1 The Technical Consulting Market

Sitowise is active in the Finnish and Swedish technical consulting market, which includes building and infrastructure consulting services (referred to as the "technical consulting market" in this section), as well as in the IT service and solution market for built environment. Relevant market to Sitowise is the technical consulting market, as 91 percent of its net sales for the financial year ended 31 December 2020 was derived from Buildings, Infrastructure and Sweden business areas that provide services to the technical consulting market. As of the date of this Offering Circular, Sitowise operates primarily in Finland and Sweden, with the majority of the operations located in Finland (86 percent of net sales for the financial year ended 31 December 2020).

Companies operating in the technical consulting market primarily perform services, such as surveys, planning, and design, for building and infrastructure construction and renovation projects. Building consulting services include, for example, HPAC design, energy planning, structural design of new buildings, structural renovation engineering, high-rise building design, as well as expert services such as fire safety and acoustics. Infrastructure consulting services include, for example, road and street planning, landscape planning, rail planning, bridges and special structures, as well as urban development. Sitowise also focuses on digital solutions for build environment and transportation as well as expert services supporting them by providing, for example, digital asset management tools and software development services.

Sitowise's customers are found within both the public and private sector. Public sector customers include state agencies and municipalities, which require technical consulting services in various infrastructure and building construction projects. Private sector customers include, for example, construction companies, real estate owners, housing cooperatives as well as other private companies. Private sector customers require technical consulting services mainly for building construction projects. Sitowise's management considers that the need for technical consulting services varies between the different customer groups, a factor which stabilizes the demand over a business cycle. During periods of less favorable macroeconomic conditions, public sector investments often increase, while investments from construction or real estate owners tend to diminish during a period of slow economic growth and increase during periods of strong economic growth.

17.2 The Technical Consulting Market Value Chain

The value chain for the technical consulting market can be illustrated by the diagram below. Technical consulting companies, including Sitowise and its competitors, are situated in the middle of the value chain and deliver design and planning services in conjunction with new construction and renovation building and infrastructure projects. The consulting projects may be ordered by the building or infrastructure owner, or the construction company that in turn has the building or infrastructure owner as its customer. The end customers are those that benefit from the technical consultants' designs, for example citizens using a new train route or residents living in a housing cooperative. Sitowise's management considers that Sitowise and its competitors have an attractive position in the value chain as they do not act as contractors with responsibility for construction project execution or invest in the construction projects. Hence, the position in the value chain leads to a limited overall project risk.

Picture: Example of the value chain in the Finnish market – illustrative only[4]

[4] Company management view.

17.3 Certain Market Characteristics

According to the view of Sitowise's management, the technical consulting market has certain characteristics, such as increasing demand for "one-stop-shop" solutions and advantages related to ICT investments as well as local customer relationships, that provide competitive advantages to existing players on the market.

17.3.1 Increasing Demand for "One-stop-shop" Solutions

Sitowise management considers that customers increasingly value a multidisciplinary approach and "one-stop-shop" solutions for large and complex project with advanced technical solutions. Development of the organization required to provide a broad set of competencies is costly and time-consuming, which benefits existing and large companies on the market.

17.3.2 ICT Investments

Sitowise management considers that more efficient production methods call for investment needs in advanced information technology and computer-aided design systems. Thus, Sitowise management considers that existing large players are best positioned to invest in such systems.

17.3.3 Local Customer Relationships

Sitowise management considers that strong customer relationships and local presence are important factors for winning new tenders. This is reflected in, among other things, the fact that a part of the customers are recurring customers and that previous experience of a provider is therefore important. Thus, Sitowise management considers that this makes it difficult for new entrants to develop strong local relationships.

17.4 Trends and Drivers

The technical consulting market in Finland and Sweden is influenced by a number of trends and drivers. These include urbanization, renovation backlog, sustainability and digitalization, all of which are described in the sections below.

17.4.1 Urbanization

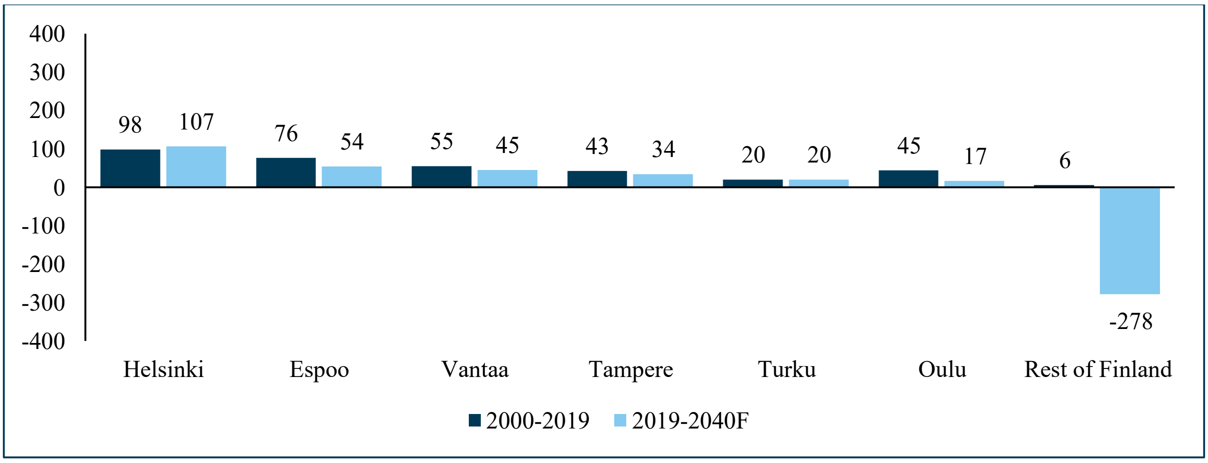
Migrations to the largest cities and growth centers in Finland and Sweden has been going on for decades. The population in all of the six largest Finnish cities, Helsinki, Espoo, Vantaa, Tampere, Oulu and Turku, has increased over the time period between 2000 and 2019. In total, the population amount in these cities has increased by a combined 338,000 inhabitants (22.9 percentage growth) during this time period, while the population in the rest of Finland has only increased by 6,000 inhabitants (0.2 percentage growth) during the same period. The urbanization is expected to continue as the population amount in the above-mentioned six largest Finnish cities is expected to increase by a combined 278,000 inhabitants (15.3 percentage growth) during the time period between 2019 and 2040. Similarly, the population amount in the rest of Finland is expected to decrease by 278,000 inhabitants (a 7.5 percentage decrease) in the time same period.[5]

A similar trend is visible in Sweden, the population in all of the six largest Swedish cities, Stockholm, Gothenburg, Malmö, Uppsala, Linköping and Örebro, has increased over the time period between 2000 and 2019. In total, the population amount in these cities has increased by a combined 523,173 inhabitants (27.2 percentage growth) during this time period, while the population in the rest of Sweden has increased by 921,624 inhabitants (13.2 percentage growth) during the same period. The urbanization is expected to continue as the population amount in the above-mentioned six largest Swedish cities is expected to increase by a combined 520,538 inhabitants (21.3 percentage growth) during the time period between 2019 and 2040. Similarly, the population amount in the rest of Sweden is expected to increase by 681,833 inhabitants (8.7 percentage growth) during the same period.[6]

[5] Statistics Finland: Key figures on population by region, 1990-2019. Statistics Finland: Population projection 2019: Population according to age and sex by area, 2019-2040.

[6] Statistics Sweden: Population by region, marital status, age and sex, year 1968-2019. Statistics Sweden: Population projection 2019: Population size, number of birth, deaths and migration by region, sex and age, year 2020-2070.

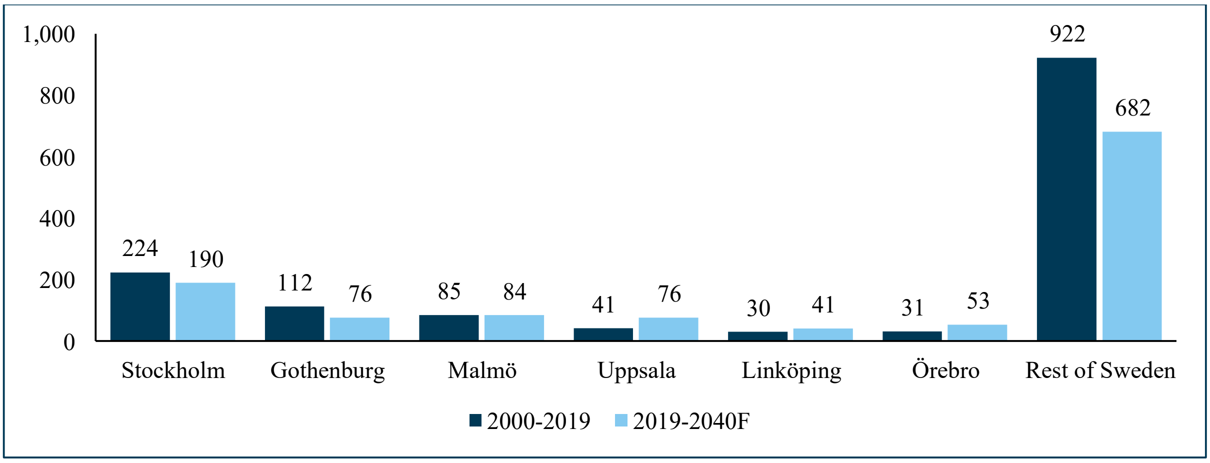
An increase in the population in the major urban areas requires investments in complex building and infrastructure solutions within already built environments, such as high-rise buildings and underground rail tracks. The construction complexity arising from the increasing urbanization requires thorough plans and designs done by technical consultants. Hence, the demand for technical consulting services is expected to increase in line with the growing population in the major Finnish and Swedish urban areas.[7]



Graph: Population growth in Finland 2000–2040F (thousand inhabitants)[8]

City	Population growth (%) 2000–2019	2019–2040F
Helsinki	17.7 %	16.3 %
Espoo	35.9 %	18.8 %
Vantaa	31.0 %	19.3 %
Tampere	21.8 %	14.5 %
Turku	11.8 %	10.5 %
Oulu	27.8 %	8.1 %
Rest of Finland	0.2 %	-7.5 %
Total Finland	**6.6 %**	**0.0 %**

Table: Population growth in Finland 2000–2040F (%)[9]



Graph: Population growth in Sweden 2000–2040F (thousand inhabitants)[10]

[7] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise.

[8] Statistics Finland: Key figures on population by region, 1990-2019. Statistics Finland: Population projection 2019: Population according to age and sex by area, 2019-2040.

[9] Statistics Finland: Key figures on population by region, 1990-2019. Statistics Finland: Population projection 2019: Population according to age and sex by area, 2019-2040.

[10] Statistics Sweden: Population by region, marital status, age and sex, year 1968-2019. Statistics Sweden: Population projection 2019: Population size, number of births, deaths and migration by region, sex and age, year 2020-2070.

City	Population growth (%) 2000–2019	2019–2040F
Stockholm	29.8 %	19.5 %
Gothenburg	24.0 %	13.2 %
Malmö	32.6 %	24.4 %
Uppsala	21.7 %	33.1 %
Linköping	22.4 %	25.0 %
Örebro	25.4 %	34.3 %
Rest of Sweden	13.2 %	8.7 %
Total Sweden	**16.3 %**	**11.6 %**

Table: Population growth in Sweden 2000–2040F (%)[11]

17.4.2 Renovation Backlog

The ageing Finnish and Swedish building and infrastructure stock is expected to create an increasing need for maintenance and renovation services. For example, the Finnish residential and non-residential building stock built in the 1970–1980', which is larger than the building stock built in the 1960's, is reaching the age of 50, which typically is the age when the need for renovation services increases. In Sweden, a majority of the residential building stock has already reached or will soon reach renovation age as it has been built before the 1980's. The ageing building stock in Finland leads to an estimated building renovation backlog of approximately EUR 30–50 billion, divided into residential buildings (approximately EUR 20–30 billion) and non-residential buildings (approximately EUR 10–20 billion). The Finnish infrastructure renovation backlog is approximately EUR 6 billion.[12]

According to the view of Sitowise's management, the large renovation backlog, especially within residential buildings, brings resilience towards downturns, as many of the renovation and maintenance projects are crucial and cannot be postponed. Additionally, Sitowise management considers that the large building renovation backlog creates opportunities to optimize energy, water and space usage of the buildings. Thus, these opportunities create an increasing demand for technical consulting services.

Furthermore, the Finnish government is preparing its first 12-year national transport system plan with the goal of increasing and guaranteeing the sustainability, accessibility and efficiency of the Finnish national transport system.[13] The desire is to form larger infrastructure financing entities, similar to Sweden, which is planning to invest approximately SEK 700 billion in the coming years.[14] According to the view of Sitowise's management, the Finnish national transport system plan will help to reduce the infrastructure renovation backlog and bring consistency and predictability of public infrastructure investments, as well as an even stronger resilience to economic fluctuations. Hence, Sitowise management considers that all of these factors will contribute positively to the growth on the infrastructure consulting market.

17.4.3 Sustainability

According to the view of Sitowise's management, building and infrastructure owners are currently increasingly focusing on investing in energy-efficient and low-emission solutions. This is in order to achieve reduced operating costs of the building or infrastructure, but also to satisfy the increasingly strict demands from the market and consumers with regards to energy efficiency and sustainability and to also comply with tightening regulations.

EU is one of the driving forces behind the tightening regulation and increasing sustainability efforts in buildings and infrastructure. For example, EU recently announced two large sustainability initiatives, the "European Green Deal" and the "EU Taxonomy". These sustainability initiatives are on top of EU's two directives that have been

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[11] Statistics Sweden: Population by region, marital status, age and sex, year 1968-2019. Statistics Sweden: Population projection 2019: Population size, number of births, deaths and migration by region, sex and age, year 2020-2070.

[12] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise.

[13] The Finnish Ministry of Transport and Communication: LVM018:00/2019.

[14] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise.

adopted to serve as primary legislative instruments aimed at reducing energy consumption, namely the "Energy Performance of Buildings Directive"[15] and the "Energy Efficiency Directive"[16].

The EU targets with its new growth strategy the "European Green Deal" to become climate-neutral by 2050 by investing at least EUR 1 trillion. Actions included in the new growth strategy include, for instance, renovating buildings to minimize the energy use and roll-out of cleaner, cheaper and healthier forms of private and public transport.[17] Furthermore, the "EU Taxonomy" is a new EU framework for classifying green investments, with the purpose of reorienting capital flows towards sustainable investments. To encourage the shift of capital allocation, the taxonomy sets performance thresholds for economic activities which make a substantive contribution to one of six environmental objectives[18], do no significant harm to the other five objectives and meet minimum safeguards.[19]

The two directives, "Energy Performance of Buildings Directive" and the "Energy Efficiency Directive", include a broad range of policies and supportive measures, such as that an energy certificate must be included in all sale or rental ads for buildings and requirements on individual measurement devices to be installed in apartments or multipurpose buildings. According to the EU commission, buildings are responsible for approximately 40 percent of the total EU energy consumption[20] and, therefore, has the "Energy Efficiency Directive" established a goal of achieving at least a 32.5 percent reduction in energy consumption by 2030.[21]

Sitowise management considers that these sustainability initiatives, directives and expressed targets are expected to lead to increased investment within important technologies aimed at increasing energy efficiency and which, in turn, will contribute to increased demand for skilled providers of technical solutions and designs.

17.4.4 Digitalization

Current buildings are characterized by intensive use of technical systems such as IT solutions, alarm and security systems, and systems for more efficient energy use such as sensors and monitors. Also, the technological content, such as emission reducing tools and digital tools for optimized infrastructure asset management, within infrastructure is also becoming more common. The increasing technology content in buildings and infrastructure is driven by increasing sustainability, safety and comfortable living environment requirements.[22]

The technological development and innovation in buildings and infrastructure have resulted in more complex construction projects and living environments. Moreover, it is expected that the speed of the technological development will continue to increase and, thus, increase the complexity even further. Similar to the complexity arising from increasing urbanization, the complexity arising from increasing digitalization will also contribute positively to the demand for technical consulting services and, thus, drive the need for specialized planning and design skills found within technical consulting companies.[23]

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[15] Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings.

[16] Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC.

[17] COM(2019) 640 final.

[18] The six environmental objectives are climate change mitigation, climate change adaption, sustainable and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.

[19] COM(2018) 353 final.

[20] COM(2008) 780 final.

[21] Directive (EU) 2018/2002 of the European Parliament and of the Council of 11 December 2018 amending Directive 2012/27/EU on energy efficiency.

[22] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise.

[23] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise.

17.5 The Finnish Technical Consulting Market

The development of the Finnish technical consulting market[24], broken down by consulting segment, and an overview of the competitive landscape is presented below.

17.5.1 Market size and growth

In 2020, the Finnish technical consulting market is estimated to amount to approximately EUR 1.5–1.7 billion, of which building consulting amounted to approximately EUR 1.0–1.1 billion and infrastructure consulting to approximately EUR 0.5–0.6 billion. The following figures representing the growth of the technical consulting market are presented using the upper scale of this range. The market is estimated to have historically grown at a CAGR of 5.2 percent during 2005–2020. During this time period building consulting is estimated to have grown at a CAGR of 5.7 percent and infrastructure consulting at a CAGR of 4.5 percent. Even though the consulting market is expected to decline temporarily in 2021, the total Finnish market is expected to grow with a CAGR of 2.9 percent between 2020 and 2025, reaching EUR 2.0 billion in 2025. During this time period, building consulting is expected to grow at a CAGR of 3.2 percent and infrastructure consulting at a CAGR of 2.2 percent. The market growth has been driven by structural growth drivers, such as urbanization, renovation backlog, sustainability and digitalization, which also are expected to continue to drive the market growth in the forecast period (see more in section "– *Trends and drivers*").[25]

Two key attributes are affecting the market growth: the construction output and the consulting penetration. In 2020, the Finnish construction market is estimated to amount to approximately EUR 36.2 billion and it has estimated to grow with a CAGR of 3.3 percent between 2005 and 2020. The construction market is expected to decline temporarily in 2021, mainly due to lack of new construction projects, especially on the building side. Following the year 2021, the construction market is expected to grow at a CAGR of 2.4 percent between 2021 and 2025.[26]

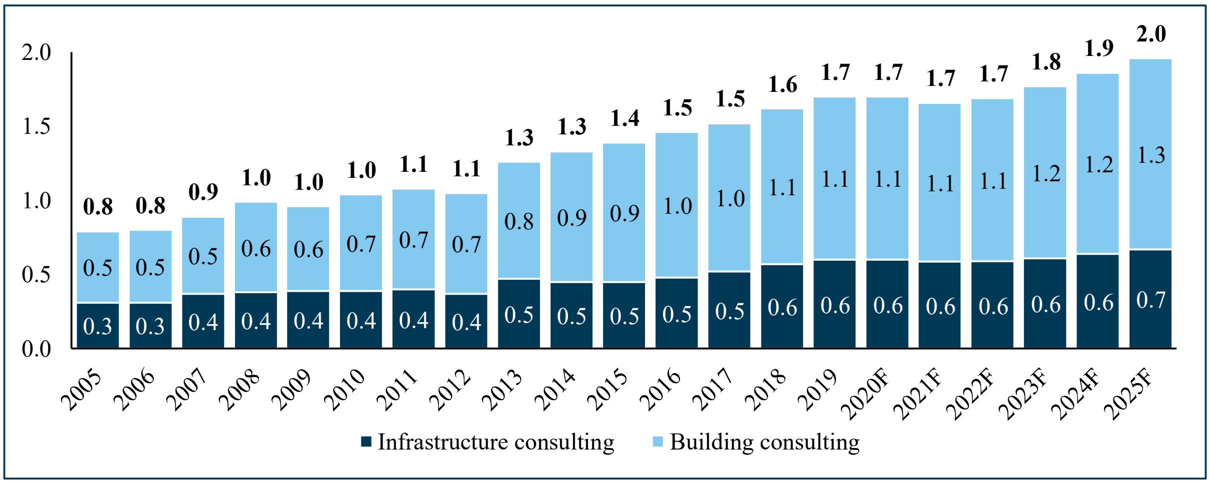
The consulting penetration, defined as the share of technical consulting market value per construction market value, has increased over the past decade and is estimated to continue to grow, resulting in a strong structural growth in the technical consulting market. Regardless of the expected slight decline in the construction market, the outlook for the technical consulting market is positive due to the increasing consulting penetration. The penetration growth is driven by increasing construction complexity, increasing technology content, tightening regulation and emphasis on sustainability, and greater focus on life cycle costs.

[24] Technical consulting market includes building and infrastructure consulting markets and excludes industrial engineering market and digital solutions market.

[25] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise. Upper range of market size estimate presented for each year. Lower end in 2005: EUR 0.7 billion and lower end in 2025F: EUR 1.7 billion.

[26] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise.

17.5.1.1 The Finnish technical consulting market



Graph: The Finnish technical consulting market development 2005–2025F (EUR billion). Upper range of market size estimate presented for each year. Lower end in 2005: EUR 0.7 billion and lower end in 2025F: EUR 1.7 billion.[27]

Consulting area	CAGR 2005-2020F	CAGR 2020F-2025F
Building consulting	5.7 %	3.2 %
Infrastructure consulting	4.5 %	2.2 %
Total technical consulting market	**5.2 %**	**2.9 %**

Table: The Finnish technical consulting market CAGR 2005–2025F (%). CAGR has been calculated using upper range of market size estimates.[28]

Year	YoY growth (%) Building consulting	Infrastructure consulting	Total technical consulting market
2005	-	-	-
2006	2.1 %	0.0 %	**1.3 %**
2007	6.1 %	19.4 %	**11.3 %**
2008	17.3 %	2.7 %	**11.2 %**
2009	-6.6 %	2.6 %	**-3.0 %**
2010	14.0 %	0.0 %	**8.3 %**
2011	4.6 %	2.6 %	**3.8 %**
2012	0.0 %	-7.5 %	**-2.8 %**
2013	16.2 %	27.0 %	**20.0 %**
2014	11.4 %	-4.3 %	**5.6 %**
2015	6.8 %	0.0 %	**4.5 %**
2016	4.3 %	6.7 %	**5.0 %**
2017	2.0 %	8.3 %	**4.1 %**
2018	5.0 %	9.6 %	**6.6 %**
2019	4.8 %	5.3 %	**4.9 %**
2020F	0.0 %	0.0 %	**0.0 %**
2021F	-2.7 %	-2.2 %	**-2.5 %**
2022F	2.8 %	0.5 %	**2.0 %**
2023F	5.5 %	3.4 %	**4.7 %**
2024F	5.2 %	4.9 %	**5.1 %**
2025F	5.7 %	4.7 %	**5.4 %**

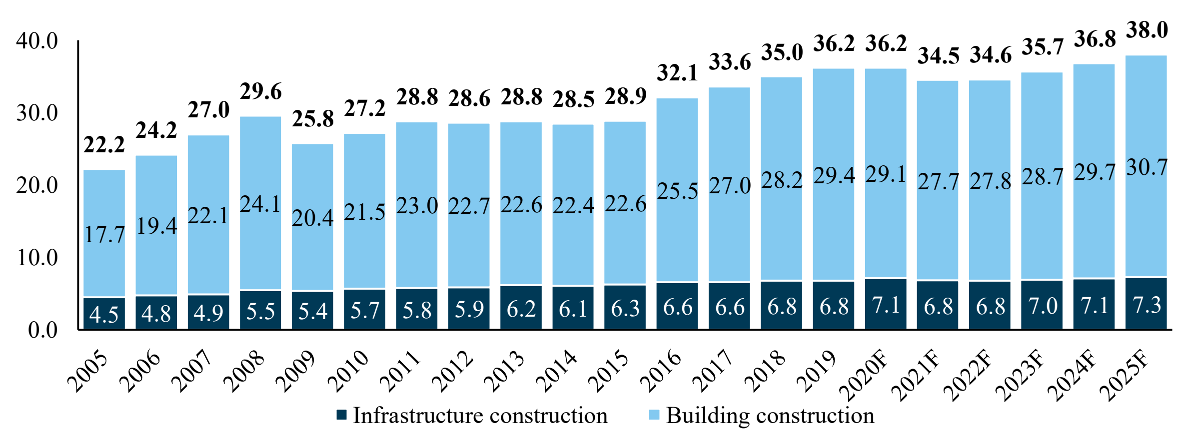
Table: The Finnish technical consulting market YoY growth 2005–2025F (%). YoY growth has been calculated using upper range of market size estimates.[29]

[27] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise.

[28] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise.

[29] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise.

17.5.1.2 The Finnish construction market



Graph: The Finnish construction market development 2005-2025F (EUR billion)[30,31]

Construction area	CAGR 2005-2020F	CAGR 2020F-2025F
Building construction	3.4 %	1.1 %
Infrastructure construction	3.1 %	0.4 %
Total construction market	**3.3 %**	**1.0 %**

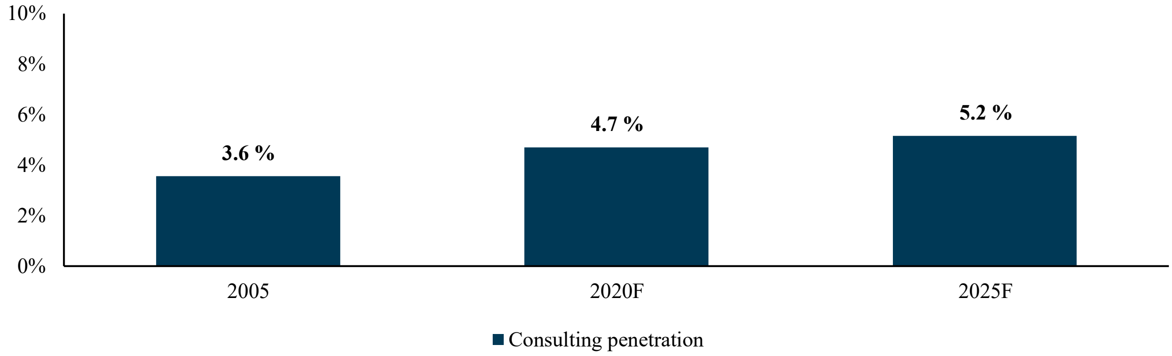
Table: The Finnish construction market CAGR 2005-2025F (%)[32,33]

Year	YoY growth (%) Building construction	Infrastructure construction	Total construction market
2005	-	-	-
2006	9.6 %	6.7 %	**9.0 %**
2007	13.9 %	2.1 %	**11.6 %**
2008	9.0 %	12.2 %	**9.6 %**
2009	-15.4 %	-1.8 %	**-12.8 %**
2010	5.4 %	5.6 %	**5.4 %**
2011	7.0 %	1.8 %	**5.9 %**
2012	-1.3 %	1.7 %	**-0.7 %**
2013	-0.4 %	5.1 %	**0.7 %**
2014	-0.9 %	-1.6 %	**-1.0 %**
2015	0.9 %	3.3 %	**1.4 %**
2016	12.8 %	4.8 %	**11.1 %**
2017	5.9 %	0.0 %	**4.7 %**
2018	4.4 %	3.0 %	**4.2 %**
2019	4.3 %	0.0 %	**3.4 %**
2020F	-1.2 %	5.1 %	**0.0 %**
2021F	-4.8 %	-4.2 %	**-4.7 %**
2022F	0.5 %	-0.8 %	**0.3 %**
2023F	3.4 %	2.4 %	**3.2 %**
2024F	3.4 %	2.4 %	**3.2 %**
2025F	3.4 %	2.4 %	**3.2 %**

Table: The Finnish construction market YoY growth 2005-2025F (%)[34,35]

[30] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise.
[31] Including both new and renovation construction.
[32] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise.
[33] Including both new and renovation construction.
[34] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise.
[35] Including both new and renovation construction.

17.5.1.3 The Finnish consulting penetration



Graph: The Finnish consulting penetration development 2005-2025F (%). The technical consulting market value has been calculated using upper range of market size estimates.[36] (Consulting penetration = consulting market value per construction market value.)

17.5.2 Historically Resilient Technical Consulting Market

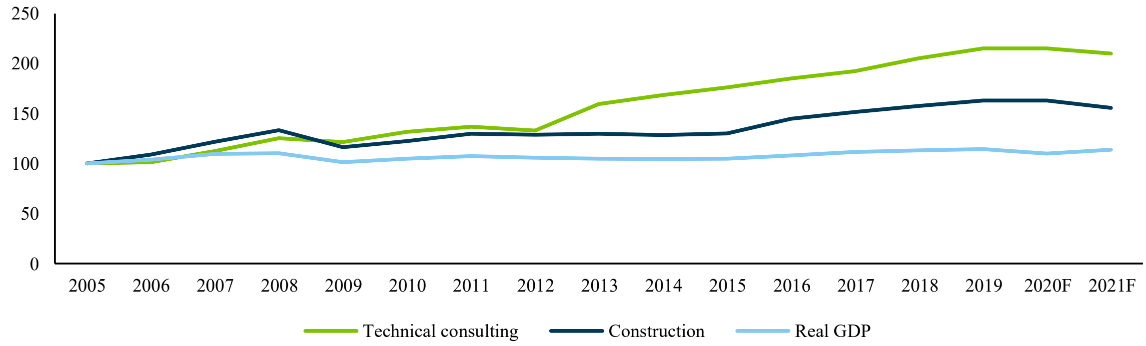
The technical consulting market has historically been resilient compared to the overall economic development and the construction market. The graph below presents the indexed development of the technical consulting market against the real gross domestic product (GDP) and construction market (new and renovation construction) in Finland during the time period from 2005 to 2021. In 2009 and the financial crisis, the technical consulting market declined only 3.0 percent compared to the construction market and real GDP, which declined 12.8 percent and 8.1 percent, respectively. The decline in 2009 can be explained by companies postponing their investments in the short term due to uncertain economic outlook. Since 2009, the technical consulting market has experienced growth clearly above the construction market and the real GDP. In 2021, following the coronavirus pandemic, the technical consulting market is estimated to decline by 2.5–2.7 percent whereas the construction market is estimated to decline by 4.7 percent, mainly due to a slowdown in new construction projects. The real GDP is estimated to be affected already in 2020 by the coronavirus pandemic and is expected to rebound from its 2020 low in 2021.[37]

The technical consulting market for buildings and infrastructure has several characteristics that make it resilient. Firstly, construction projects are halted much quicker than consulting projects, hence weaker periods in construction are used to create backlogs of future design plans, which can be realized during stronger construction cycle periods. Secondly, national public stimuli measures during downturns are usually targeted towards large infrastructure projects, which drives the demand for infrastructure consulting. Thirdly, exposure to the stable infrastructure construction market as well as the large and defensive residential sector with significant renovation demand while having no exposure to industry engineering are all drivers of resilience.

[36] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise. The graph includes technical consulting market in whole, i.e. building and infrastructure consulting.

[37] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise, International Monetary Fund 2019: Real GDP growth.

17.5.2.1 Indexed (2005=100)



Graph: Indexed technical consulting, construction, real GDP development for Finland[38,39]

17.5.3 Competitive Landscape

Sitowise is the third largest player in the technical consulting market[40] in Finland with an 8 percent market share[41]. The largest player is Sweco Finland with a 12 percent market share[42] and the second largest is Ramboll Finland with a 12 percent market share. Top 4–10 companies hold a combined 24 percent market share with the rest of the market accounting for 45 percent of the total market.[43,44] In 2019, there were approximately 2,000 small and niche local technical consulting companies in Finland accounting for the rest of the market (EUR 0.8 billion, 45 percent market share).[45] The large amount of small and niche local companies enables continued consolidation on the Finnish market.

17.6 The Swedish Technical Consulting Market

The development of the Swedish technical consulting market[46], broken down by consulting segment, and an overview of the competitive landscape is presented below.

17.6.1 Market Size and Growth

In 2020, the Swedish technical consulting market is estimated to amount to approximately EUR 3.1 billion, of which building consulting amounted to approximately EUR 1.9 billion and infrastructure consulting to approximately EUR 1.2 billion. The market is estimated to have historically grown at a CAGR of 7.3 percent during 2015–2020. During this time period building consulting is estimated to have grown at a CAGR of 8.8 percent and infrastructure consulting at a CAGR of 5.2 percent. Between 2020 and 2025, the total Swedish market is expected to grow with a CAGR of 3.7 percent, reaching EUR 3.7 billion in 2025. During this time period building consulting is expected to grow at a CAGR of 2.9 percent and infrastructure consulting at a CAGR of 4.9 percent.[47]

Similar to the Finnish market, the two key attributes, construction output and consulting penetration, are affecting the market growth. In 2020, the Swedish construction market is estimated to amount to approximately EUR 42.4 billion and it is estimated to have grown with a CAGR of 4.6 percent between 2015 and 2020. The construction

[38] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise, International Monetary Fund 2019: Real GDP growth.

[39] Technical consulting includes building and infrastructure consulting, Construction includes building and infrastructure construction.

[40] Technical consulting includes building and infrastructure consulting and excludes industrial engineering and digital solutions.

[41] Based on Sitowise's 2019 IFRS net sales for Finland.

[42] Including EUR 32 million of annual net sales from NRC Design, acquisition done in late 2019.

[43] Market shares are indicative.

[44] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise.

[45] Statistics Finland: Establishments of enterprises by industry and size category of turnover, 2013-2019. Number of companies with the following TOL codes: 71121, 71123, 71124 and 71125. The number of companies is indicative.

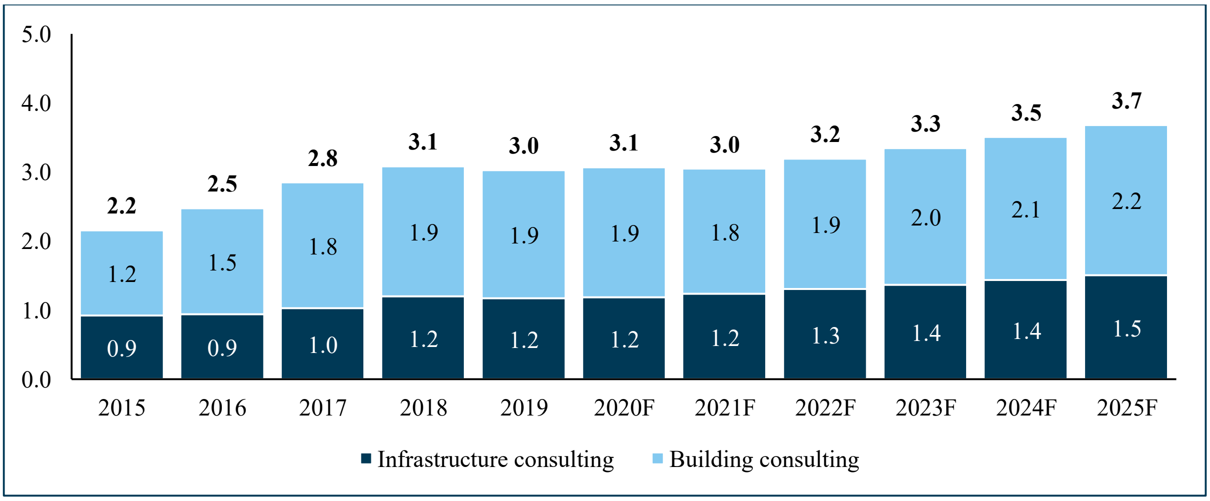
[46] Technical consulting includes building and infrastructure consulting and excludes industrial engineering and digital solutions.

[47] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise.

market is expected to decline temporarily in 2021 mainly due to lack of new construction projects, especially on the building side. Following year 2021, the construction market is expected to grow with a CAGR of 4.2 percent between 2021 and 2025.[48]

The Swedish consulting penetration is also driven by increasing construction complexity, increasing technology content, tightening regulation and emphasis on sustainability, and greater focus on life cycle costs. Thus, regardless of the expected slight decline in the construction market, the outlook for the technical consulting market is positive due to the increasing consulting penetration. Similar to the Finnish market, the consulting penetration has increased historically and is expected to continue to grow in the forecast period. However, the consulting penetration is higher in Sweden than in Finland mainly due to a higher share of outsourcing of technical consulting services and more complex living environments.[49]

17.6.1.1 The Swedish technical consulting market



Graph: The Swedish technical consulting market development 2015-2025F (EUR billion)[50]

Consulting area	CAGR 2015-2020F	CAGR 2020F-2025F
Building consulting	8.8 %	2.9 %
Infrastructure consulting	5.2 %	4.9 %
Total technical consulting market	**7.3 %**	**3.7 %**

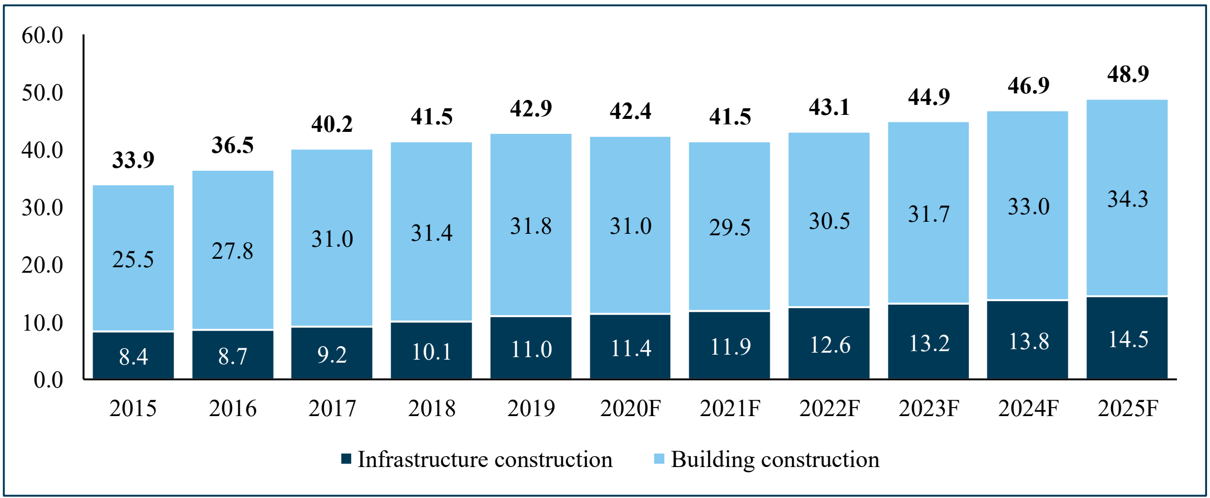
Table: The Swedish technical consulting market CAGR 2015-2025F (%)[51]

[48] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise.
[49] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise.
[50] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise.
[51] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise.

Year	YoY growth (%) Building consulting	Infrastructure consulting	Total technical consulting market
2015	-	-	-
2016	24.6 %	1.9 %	**14.9 %**
2017	18.4 %	9.4 %	**15.0 %**
2018	3.6 %	16.6 %	**8.3 %**
2019	-1.4 %	-2.4 %	**-1.8 %**
2020F	1.4 %	1.4 %	**1.4 %**
2021F	-3.9 %	4.3 %	**-0.7 %**
2022F	4.3 %	5.5 %	**4.8 %**
2023F	4.8 %	4.9 %	**4.8 %**
2024F	4.8 %	4.9 %	**4.8 %**
2025F	4.8 %	4.9 %	**4.9 %**

Table: The Swedish technical consulting market YoY growth 2015-2025F (%)[52]

17.6.1.2 The Swedish construction market



Graph: The Swedish construction market development 2015–2025F (EUR billion)[53]

Construction area	CAGR 2015-2020F	CAGR 2020F-2025F
Building construction	3.9 %	2.1 %
Infrastructure construction	6.4 %	4.9 %
Total construction market	**4.6 %**	**2.9 %**

Table: The Swedish construction market CAGR 2015–2025F (%)[54]

[52] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise.

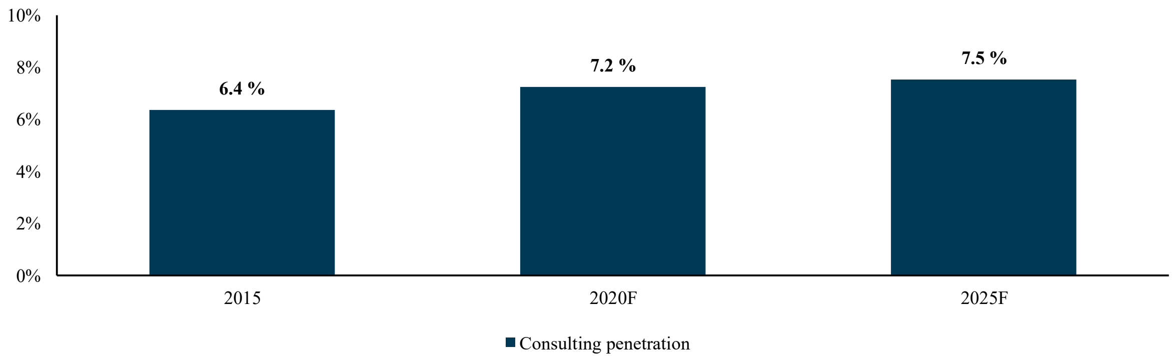
[53] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise.

[54] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise.

Year	YoY growth (%) Building construction	Infrastructure construction	Total construction market
2015	-	-	-
2016	9.0 %	3.5 %	**7.6 %**
2017	11.3 %	6.1 %	**10.0 %**
2018	1.3 %	9.5 %	**3.2 %**
2019	1.5 %	9.3 %	**3.4 %**
2020F	-2.7 %	3.6 %	**-1.1 %**
2021F	-4.7 %	4.3 %	**-2.3 %**
2022F	3.4 %	5.5 %	**4.0 %**
2023F	4.0 %	4.9 %	**4.2 %**
2024F	4.0 %	4.9 %	**4.3 %**
2025F	4.0 %	4.9 %	**4.3 %**

Table: The Swedish construction market YoY growth 2015–2025F (%)[55]

17.6.1.3 The Swedish consulting penetration



Graph: The Swedish consulting penetration development 2015–2025F (%)[56,57]

17.6.2 Competitive Landscape

In Sweden, the largest company on the technical consulting market[58] is Sweco Sweden with a 16 percent market share, followed by WSP Sweden with a 15 percent market share and on third place is AFRY Sweden with a 13 percent market share. Top 4–10 companies hold a combined 32 percent market share with the rest of the companies in the market accounting for 24 percent of the total market.[59,60] Sitowise's Swedish subsidiaries are small niche players on the Swedish market. In 2019, there were approximately 9,000 small and niche local technical consulting companies in Sweden accounting for the rest of the market (EUR 0.7 billion, 24 percent market share).[61] The large amount of small and niche local companies enables continued consolidation on the Sweden market.

[55] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise.

[56] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise.

[57] Consulting penetration = consulting market value per construction market value. Graph includes total technical consulting market, i.e. building and infrastructure consulting

[58] Technical consulting includes building and infrastructure consulting and excludes industrial engineering and digital solutions.

[59] Presented market shares are indicative.

[60] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise. The Federation of Swedish Innovation Companies: Sector Review 2019.

[61] Statistics Sweden: Enterprises (FDB) by industrial classification SNI 2007 and size class. Year 2008 - 2020. Number of companies with the following SNI codes: 71.121, 71.123 and 71.124. The number of companies is indicative.

17.7 Business Standards

The contract award process in the technical consulting market varies mainly based on the customer type. Contracts are normally awarded through public procurement and general tendering. Furthermore, there are three common contract types on the technical consulting market. These are sole consulting contracts, joint consulting contracts and alliance contracts. Also, Sitowise's management considers that the most common compensation structures within technical consulting are time-based billing, time-based billing with capped total costs and fixed price.

17.7.1 Procurement Forms

17.7.1.1 Public Procurement

Tendering which is governed in Finland by the Finnish Act on Public Procurement and Concession Contracts (1397/2016, as amended) in which the state, municipalities, joint municipal authorities or an unincorporated state enterprise is the customer. According to the Finnish Act on Public Procurement and Concession Contracts, public contracts shall be awarded based on the most economically advantageous tender. The most economically advantageous tender is a tender at the lowest price, at the most affordable cost, or with the best price-quality ratio for the contracting entity.

17.7.1.2 General Tendering

The customer distributes an invitation to tender for a technical consulting project which is priced and answered by the technical consulting company. According to the view of Sitowise's management, these types of contracts are generally awarded based on references, quality, price and relationships.

17.7.2 Contract Types

17.7.2.1 Sole Consulting

The customer mandates only one single technical consulting company to be responsible for all design and planning parts of the building or infrastructure project. According to the view of Sitowise's management, this type of contract is more common in smaller building and infrastructure projects.

17.7.2.2 Joint Consulting

The customer mandates two or more technical consulting companies, with each company being responsible for different parts of the building or infrastructure project. According to the view of Sitowise's management, this type of contract is more common in larger building and infrastructure projects where niche and expert competencies are required.

17.7.2.3 Alliance

According to the view of Sitowise's management, alliance contracts are becoming more common, especially in infrastructure construction projects. An alliance project is where a building or infrastructure owner and one or more service providers (technical consultant, constructor, installer, supplier etc.) work as an integrated team to deliver a specific project under a contractual framework where their commercial interest are aligned to the actual project outcome. Alliance projects are based on a model in which the risks and benefits of the project are shared as agreed beforehand. The basic principles of alliance projects are transparency, trust, mutually agreed risk sharing, joint and several liability and collective decision-making.

17.7.3 Compensation Forms

According to the view of Sitowise's management, the most common compensation structures within technical consulting are time-based billing, time-based billing with capped total costs and fixed price. Time-based billing means that the compensation is based on the number of billable hours in the project. Time-based billing with capped total costs means that the compensation is based on the number of billable hours in the project, but the project has a maximum total cost. Fixed price means that the technical consulting company receives a fixed compensation, set in advance, for the entire project.

18. BUSINESS OF THE COMPANY

18.1 General

Sitowise is a Nordic expert in the built environment that offers sustainable design and consulting services for projects of all sizes. Sitowise offers its services in the following business areas: Buildings, Infrastructure and Digital Solutions. In addition, Sitowise's operations in Sweden are organized under business area Sweden. Sitowise's operations are primarily in Finland and Sweden, and it also has competence centers in Estonia and Latvia, which primarily service Sitowise's projects in Finland and Sweden. Sitowise employs over 1,900 experts. For the financial year ended 31 December 2020, 86 percent of Sitowise's net sales was derived from Finland, 13 percent from Sweden and 1 percent from other countries[62].

Sitowise has grown both organically and through acquisitions. The below graph presents the development of Sitowise's net sales for the financial years ended 31 December 2018, 2019 and 2020.

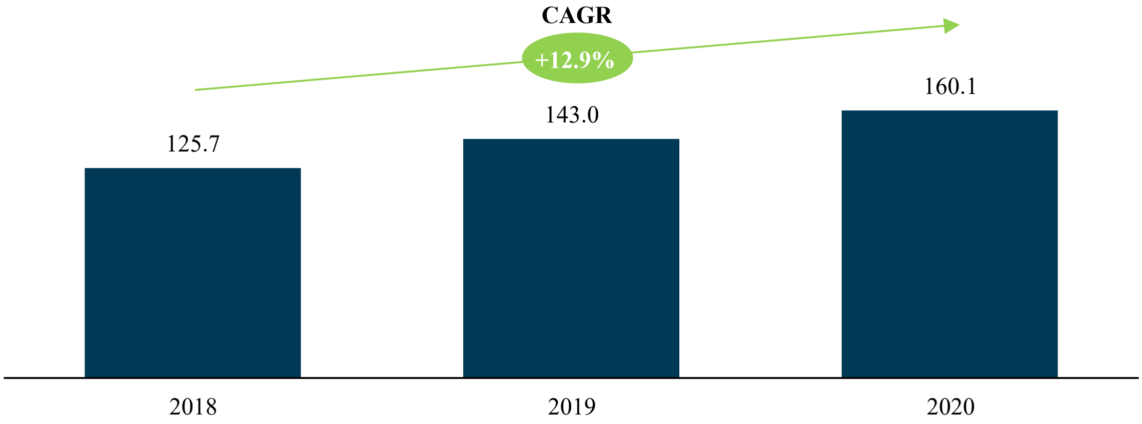


Figure: Net sales (EUR million) for the financial years ended 31 December 2018, 2019 and 2020 and CARG 2018–2020. The figures include both organic and inorganic growth.

18.2 Sitowise's Vision and Values

Sitowise's slogan is "The Smart City Company", which reflects Sitowise's mission to participate in designing smart cities where everyday life is paced by sustainability and responsible choices. The slogan represents both Sitowise's work and its way of working. For Sitowise, being smart means strong digital capabilities but especially the vision of its employees, which brings courage to forge new and different solutions.

Sitowise's vision is to be the most sustainable and responsible partner in the industry in developing a prosperous living environment. The work of Sitowise's employees is guided by five core values, which form the basis for internal and external operations:

- We are brave: We believe in the power of being different and the courage to think outside the box. We are always looking for ways to develop things further and seize opportunities to forge new, creative solutions.
- We are open: We share information openly and don't beat around the bush. In projects, we make sure that everyone knows where we are at and where we are going next.
- We trust each other: At Sitowise, we make decisions where we work. Despite our size, we are agile and people oriented.
- We work as one team: Every Sitowise employee is an important part of the team and brings their own unique contribution to the project.
- We know our clients: Clients are part of our team.

[62] The net sales of the geographical areas are reported by the customer's location.

18.3 History

Sitowise was created in 2017 when building industry consultancy, design and construction project management service provider Wise Group Finland Oy and infrastructure, traffic solutions, land use and environment multitalent Sito Oy were merged. Sitowise has experience and expertise in Finnish technical consulting gained over more than 40 years: Wise Group was established in 2010 by the purchase of the shares in Insinööritoimisto Ylimäki&Tinkanen, a company founded in 1984 and specializing in structural engineering. Sito began operating in 1976 as an engineering office focusing on road design. Intera, the biggest owner in Sitowise, invested in Wise Group in 2016.

Sitowise has grown through acquisitions: During the last 10 years, Sitowise (or Wise Group Finland Oy or Sito Oy prior to the merger) have acquired over 50 companies with over EUR 90 million in net sales. In 2019, Sitowise expanded into Sweden through the acquisition of Byggnadstekniska Byrån Sverige AB ("**BTB**"), which operates in Stockholm, Gothenburg and Uppsala, followed by another Swedish add-on acquisition during the same year. Sitowise gained 155 new structural engineers through these acquisitions. During the same year in Finland, Sitowise bolstered its position with six acquisitions in areas such as environmental studies, hospital and institutional kitchen design and high-rise construction design.

In September 2020, Sitowise sold its telecom business to Rejlers. Sitowise's telecom services included the design and construction of mobile networks. Otherwise Sitowise continued its growth through acquisitions: In July 2020, Sitowise acquired Ficonic Solutions Oy, which has expertise especially in mobility and transport infrastructure IT solutions. In November 2020, Sitowise strengthened its precence in Sweden by acquiring a desing and consultancy company Technology for Infrastructure projects Sweden AB ("**TFIP**"), which offers comprehensive building consulting services to large, especially underground, infrastructure projects. In December 2020, Sitowise acquired Finnish fire protection planning specialist Paloässät Oy. In the beginning of 2021 Sitowise has further strengthened its precence in Sweden by acquiring a building services specialist VVS-Kompetens AB ("**VVS**") operating in Stockholm and Södertälje. In February 2021, Sitowise acquired Sweetlakes Oy, a company specialized in cloud and mobile development as well as security information system solutions. In addition, during 2021, Sitowise has expanded its service offering by acquiring Benviroc Oy and MSDI Oy, which offer municipalities and cities emission calculation services. At the same time, Sitowise established a sustainable development service area.

See more information on acquisitions in section "*– Mergers and Acquisitions*" below.

18.4 Key Strengths

Sitowise's management believes that the following factors are its key strengths and represent competitive advantages:

A Leading Player in a Growing Technical Consulting Market

Measured by net sales, Sitowise is a leading Finnish technical consulting company operating in the Nordic technical consulting market. Sitowise's main emphasis is on the estimated EUR 1.5–1.7 billion Finnish market, which is estimated to grow at an annual rate of 4–5 percent from 2022 to 2025. [63] The key megatrends driving the technical consulting market are urbanization and renovation backlog, and the increasing complexity, digitalization and sustainability aspects of these construction projects. Thus, the megatrends favor companies with strong capabilities and competence related to technical consulting expertise, sustainability and digitalization. See also "*Market and Industry Overview – Trends and Drivers*" and "*Market and Industry Overview – The Finnish Technical Consulting Market".*

The changing legislative environment has increased the focus on sustainability in the technical consulting market, with the European Green Deal[64] driving an even further emphasis on the sustainability of built environments and transportation. According to the view of Sitowise's management, Sitowise is well-positioned to take advantage of these trends due to its broad competence base in technical consulting accompanied by increasing capabilities in digitalization, a vital element in creating more sustainable built environments.

[63] International management consultant analysis conducted in the fall of 2020 and commissioned by Sitowise.

[64] Communication from the European Commission COM(2019) 640 final: The European Green Deal.

Broad Technical Consulting Service Offering

Sitowise can offer its customers comprehensive and multi-disciplinary solutions by combining smart digital solutions with in-depth knowledge of infrastructure and buildings. This enables Sitowise to contribute to sustainable societal development. Sitowise's broad competence base and service offering distinguishes Sitowise as a versatile supplier. Sitowise can execute large projects as the sole technical consulting provider. This eliminates the need to hire multiple technical consultants and providing a more convenient customer experience.

As Sitowise can serve the entire life cycle of built living environment, Sitowise can steer the process from the initial planning phase through desing and construction phases to the maintenance phase. Sitowise thus have a possibility to influence the eco-friendliness of construction, while also creating a base for sales of additional services. Sitowise believes that the broad competence base provides it with a significant competitive advantage over several competitors, in addition to which the expertise in, for example, high-rise buildings, fire protection planning, acoustics and rock and tunnel engineering strengthen Sitowise's competitive advantage. Additionally, Sitowise is particularly strong in digital solutions, with approximately 160 in-house software developers and IT experts to satisfy the increasing need of its customers for digital consulting and tools.

Efficient Operations Supported by Decentralized Business Model and Strong IT Platform

Sitowise's scalable business model enables the efficiency of its operations. This is demonstrated by EBIT margin of 11.4 percent, EBITA margin of 12.2 percent and adjusted EBITA margin of 12.9 percent for the financial year ended 31 December 2020. The lean organization structure and local client presence ensure an efficient decision-making. The decentralized business model with nationwide offices, supported by centralized group services, and two competence centers in Tallinn and Riga serving the Finnish and Swedish buildings consulting enable a lower cost base in salaries and rents, and a flexible allocation of resources. Sitowise has a highly competitive utilization rate of 77.3 percent.[65] The proprietary digital collaboration platform Voima streamlines workflow management and collaboration in Finland and supports the high-quality of work. The Voima platform contains codified best practices, project guidance and resources, such as templates, and a proposal and project platform.

Sustainability as a Core Part of the Operations

Sitowise has an extensive impact on sustainability through its projects. Sitowise guides its customers to make sustainable decisions and more sustainable choices. In building projects, for example, Sitowise can seek to minimize carbon footprint through optimization of materials selection and structure and systems solutions. In the design phase Sitowise can utilize its knowledge to design energy-efficient buildings which will have a long-lasting impact on emissions. In infrastructure projects, Sitowise can advance sustainability by improving and designing low-emission transport and providing environmental consulting concerning e.g. circular economy. In Digital Solutions, route optimization and planning can lead to decreased fuel consumption. As sustainable decision-making requires data gathering and analysis, digital competencies are needed almost in every project to advance sustainability.

Broad Customer Base That Provides a Solid Platform for Growth

Sitowise has a diverse customer portfolio (see also "– *Customers and Sales*" below). Sitowise has both public and private sector customers, and within each customer segment there are multiple different companies. Therefore, there is limited dependence on one customer or one customer group. Almost half of the net sales come from municipalities and state agencies. The key state agency customer is the Finnish Transport Infrastructure agency, which is responsible for the construction and maintenance of Finland's road, rail and waterway systems, with an annual budget of EUR 2.1 billion.[66] These public sector customers have historically ensured stable net sales with predictable margins. The other half of the net sales come from private sector customers, and within it the two main customer segments are construction companies and housing cooperatives.

[65] Utilization rate defined as billable hours in relation to total hours of attendance for all employees for the financial year ended 31 December 2020. Utilization rate includes acquired companies in Finland after merging the companies into the Group and in Sweden only BTB. Utilization rate does not include discontinued operations.

[66] 2020 annual budget, Finnish Transportation and Infrastructure Agency. Source: https://vayla.fi/tietoa-meista/tapamme-toimia

An Attractive Workplace for Top Experts

Sitowise's success is based on attracting, motivating and retaining the best talent in the field. The ability to offer employees interesting career and professional development opportunities is an important competitive advantage in recruiting and retaining top experts. Sitowise offers interesting work tasks and the opportunity to participate in large and interesting projects. Additionally, Sitowise supports its employees in their professional development with training sessions, providing higher level education, mentorship and career guidance. An important factor in employee satisfaction is Sitowise's inclusive and respectful work environment. The cornerstones of Sitowise's entrepreneurial culture include honesty, openness, teamwork and well-being. To support this culture, Sitowise aims to commit its employees, and currently has broad employee ownership with over 200 employee owners. Sitowise has also decided to establish a long-term incentive plan to support the commitment and motivation of its employees and to ensure that Sitowise is an attractive workplace also in the future. Sitowise has a clear strategy to obtain the best talent, including to recruit new talent straight from school. Sitowise's goal is to have students comprising ten percent of the employee base with its internship program, "NextGen".

Strong Historic Growth, High Margins and Strong Cash Flow

Sitowise's net sales growth has been historically strong, which reflects Sitowise's strong track-record of acquisitions and organic growth. The compounded annual growth rate of Sitowise's net sales was 12.9 percent between 2018 and 2020. Simultaneously, Sitowise has been able to sustain its high profitability of adjusted EBITA margin of 10–13 percent between 2018 and 2020 and in the same period its EBIT margin was 7–11 percent. Sitowise's net sales, EBIT, and adjusted EBITA margin development as well as low capex has resulted in a strong operating cash flow, which is illustrated by strong cash conversion of over 80 percent between 2018 and 2020. A strong cash conversion creates good prerequisites for continued strong growth, acquisitions and/or distribution of dividends.

Successful Platform That Can Be Leveraged in Potential Future Acquisitions

The Nordic technical consulting market is highly fragmented with more than 11,000 suppliers in Finland and Sweden alone.[67] For example, in Sweden 92 percent of the companies are small with fewer than 10 employees and the majority of them focus on a single technical area.[68] Consequently, conditions are favorable for market consolidation.

Sitowise has acquired more than 50 companies over the last ten years[69] and has thus significant experience in acquiring and integrating new companies into its organization. Sitowise has also demonstrated its ability to expand geographically through acquisitions by entering the Swedish market through the acquisition of BTB in 2019, followed by add-on acquisitions in Sweden. Sitowise generally begins preparing for a joint future with the target company already before signing the deal to enable an efficient integration. The proven and well-perceived processes enable Sitowise to target growth through acquisitions also in the future.

18.5 Strategy

Sitowise aims to be the most sustainable and responsible partner in the industry in developing a prosperous living environment. Sitowise's aim is to continue profitable growth both organically and through acquisitions. To achieve its goals, Sitowise has identified the following strategic focus areas:

Continued Focus on Organic Growth, Internal Efficiency and High Margins

As part of its strategy, Sitowise aims to continue to grow also organically, and to continue to maintain strong margins by focusing on internal efficiency and maintaining a high utilization rate. The key contributors to Sitowise's strong internal efficiency are Sitowise's lean organization structure, which ensures precision in decision-making, a local presence close to customers, the digital collaboration platform Voima, and an

[67] Source: Statistics Finland. Number of companies with the following TOL codes: 71121, 71123, 71124 and 71125; Statistics Sweden. Number of companies with the following SNI codes: 71.121, 71.123 and 71.124.

[68] Source: Statistics Sweden. Number of companies with the following SNI codes: 71.121, 71.123 and 71.124.

[69] Including acquisitions carried out by Sito and Wise Group prior to their merger into Sitowise.

entrepreneurial culture. Internal efficiency is also improved by the decentralized business model, supported by centralized group services and nationwide offices, and the competence centers in Tallinn and Riga.

Sitowise's main tool for developing and maintaining internal efficiency is the Voima platform. The Voima platform is a digital collaboration platform developed by Sitowise using third-party software components. The Voima platform enables Sitowise employees to share best practices and project knowledge among teams seamlessly. For example, the Voima platform enables Sitowise to handle local customer contacts but utilize and deliver the project using available resources from other locations. Other core benefits of the Voima platform include increase in billable hours, improved consistency and quality of work, reduction of risks, enhanced post-merger integration and increased motivation of employees.

Sitowise aims to continue to develop the Voima platform further. Sitowise's plan is to integrate data and design systems into Voima, as well as features that will support Sitowise in following and reaching sustainability goals. Sitowise also plans to invite its customers to use the Voima platform and therefore utilize it to improve customer experience.

Further Strengthen Capabilities and Grow in Selected Customer Segments in Buildings and Infrastructure

In the Buildings and Infrastructure business areas Sitowise's aim is to maintain its market position in Finland and grow by further strengthening its capabilities and position in selected client segments.

In the Buildings business area Sitowise aims to expand presence in prominent high-profile projects and increase share of wallet in current customers through strategic partnerships. Sitowise also aims to strengthen its capabilities in selected niche areas such as fire protection consulting, solutions for living environment carbon neutrality and property management consultation. In addition, Sitowise targets further growth in renovation construction expert and design services across all its geographies.

In the Infrastructure business area, key opportunities include growing the share of private sector customers, as currently approximately two thirds of the net sales in the Infrastructure business area comprise public sector customers. In addition, Sitowise aims to increase its involvement in multidisciplinary urban development projects and to strenghten especially geotechnics, traffic engineering and environmental capabilities.

Grow Competencies in Digital Solutions and Leverage the Digital Capabilities

Sitowise's digital capabilities are one of the key strengths of Sitowise, as by combining the building and infrastructure engineering knowledge with IT and digital skills, Sitowise is able to deliver solutions that support the business and decision-making capacity of the customer, providing significant growth opportunities. Sitowise seeks growth in Digital Solutions both by leveraging the digital capabilities when offering building and infrastructure consulting services to its customers as well as by providing unique IT systems and services related to the built environment and transportation.

There are significant growth opportunities in the Digital Solutions business area both in the planning and engineering phase and especially in the services for the built environment. In the planning and engineering phase Sitowise sees the most potential in smart digital infrastructure consulting as well as data management in projects and assignments. Smart digital consulting offers significant potential e.g. in building 5G networks, where Sitowise provides services both in the designing process as well as consulting once the 5G network is in use and for solutions utilizing new networking technologies. In addition, data management in projects and undertakings provide interesting growth opportunities as the need for this type of data management is steadily increasing due to increasing complexity of the built environment. The increasing complexity emphasizes the need to have the relevant data continuously available for software, decision-makers and key people.

Sitowise management also sees excellent growth potential in the digital services for the built environment. One specific growth area is increasing smart and predictive situational awareness of the built environment, for example software and systems that show the maintenance requirements of infrastructure and buildings in real time. Another growth area is automatic control systems for demand responsive transport, with relevant applications in the public sector e.g. in healthcare and social welfare services as well as in optimizing school transportation and transportation of municipalities. Demand is driven by increasing pressure in the public sector towards cost savings, more efficient solutions and integrating services into MaaS (mobility as a service) offering.

Sitowise management also sees significant growth potential in the asset management of roads, streets, railways, and waterways as well as in systems and information services for mobility. Growth opportunities in these include both developing the existing operative systems and developing new systems demanded by changes in mobility and traffic. The growth is driven by the digitalization of traffic systems and MaaS. The solutions are aimed at securing future requirements of intelligent mobility and automatic traffic. Sitowise can assist its customers for example by optimizing public transport and optimizing logistics consulting, which may improve the management of the supply chain of the customer and also lead to minimizing pollution and decreasing congestion.

Expand in Sweden and potentially also elsewhere in the Nordics

Sitowise aims to continue its expansion in Sweden, and in 2020 13 percent of net sales was generated from Sweden. In Sweden, Sitowise has currently a niche player position with strong competencies and a more selected offering. Sitowise's target is to build a multidisciplinary operation covering infrastructure and building engineering with significant scale in Sweden.

Sitowise first entered the Swedish market in May 2019 with the successful acquisition of BTB. After the platform acquisition, Sitowise has continued to grow in Sweden through the acquisition of Karlsson & Segelström Construct AB in December 2019 as well as through organic growth, e.g. opening a new office in Malmö in the beginning of 2020. In November 2020, Sitowise acquired TFIP, expanding in the infrastructure consulting market, and, in February 2021, VVS, which is a design and consulting company focused on building services, and thus further strengthening Sitowise's presence in Sweden.

Sitowise aims to further expand its operations in Sweden both through organic growth and add-on acquisitions. Sitowise's main growth initiatives in Sweden include strengthening service offering in infrastructure consulting, expanding in building technology consulting services, growing share in main segments such as infrastructure and building consulting and increasing the cross-sales of Digital Solutions.

In addition to the expansion in Sweden, Sitowise also sees potential growth opportunities in other Nordic countries in the future.

Continue Selective M&A

Sitowise aims to continue growing through selective M&A, both in Finland and Sweden, and potentially in other Nordic countries in the future. Selective M&A is part of Sitowise's growth strategy in all of the business areas: Sitowise aims to strengthen its offering and presence in selected customer segments in Buildings and Infrastructure and grow capabilities in Digital Solutions. In addition, acquisitions are an important part of the expansion plan in Sweden.

Successful acquisitions have been a major contributor to the strong historical growth of Sitowise. During the last 10 years, Sitowise has acquired over 50 companies with over EUR 90 million in net sales.[70] Both the Finnish and the Swedish markets have large number of small- and middle-sized players, offering room for further consolidation. There are currently approximately 11,000 consulting companies in Finland and Sweden[71], of which Sitowise has identified approximately 600 to its gross list. Out of the 600 identified companies, Sitowise has a current target list of approximately 60 companies.

Sitowise has been successful in its acquisitions due to the systematic approach towards M&A. Sitowise looks for targets with strong financial profile, complementing offering and capabilities, new services and customer segments, complementing geographical reach, committed management and employees as well as good fit in terms of company culture. Sitowise has a reinvestment model, where sellers reinvest a part of their proceeds back to Sitowise, which allows the owners to remain as shareholders post-acquisition and add value to their investment. See also "*– Mergers and Acquisitions*" below.

Sitowise also has a systematic process to the integration of acquired businesses. This process starts already before the signing of the deal when Sitowise prepares a new business plan together with the target company. This ensures

[70] Including acquisitions carried out by Sito and Wise Group prior to their merger into Sitowise.

[71] Source: Statistics Finland. Number of companies with the following TOL codes: 71121, 71123, 71124 and 71125; Statistics Sweden. Number of companies with the following SNI codes: 71.121, 71.123 and 71.124.

that Sitowise and the target are aligned with each other. After the signing, the work according to the new business plan is started immediately and the integration process is started.

The proven acquisition and integration processes enable Sitowise to target the growth through acquisitions also in the future.

18.6 Financial Targets

The Board of Directors of the Company has set the following financial targets in connection with the Listing. The financial targets are forward-looking statements and are not guarantees of future financial performance. Sitowise's actual results could differ materially from those expressed or implied by these forward-looking statements as a result of many factors, including but not limited to those described under "*Forward-looking Statements*", "*Risk Factors*", and "*Operating and Financial Review and Prospects – Key Factors Affecting the Business and Results of Operations*". All financial targets presented in this Offering Circular are solely targets and they do not constitute, and should not be treated as, forecasts or estimates of Sitowise's financial performance in the future.

Sitowise has 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 in relation to adjusted EBITDA should not exceed 2.5x, except temporarily in conjunction with acquisitions.[72]

Sitowise's net sales grew by 11.9 percent during the financial year ended 31 December 2020 and by 13.8 percent in 2019. The adjusted EBITA margin was 12.9 percent for the financial year ended 31 December 2020, 10.8 percent in 2019 and 11.5 percent in 2018. Net debt in relation to adjusted EBITDA was 2.6x for the financial year ended 31 December 2020, 3.1x in 2019 and 2.6x in 2018.

18.7 Business Operations

Sitowise's service offering is divided into three business areas: Buildings, Infrastructure and Digital Solutions, and in addition Sitowise's operations in Sweden are organized under business area Sweden. For the financial year ended 31 December 2020, Buildings business area represented 44.2 percent of Sitowise's net sales, Infrastructure business area represented 33.8 percent of Sitowise's net sales, Digital Solutions business area represented 8.8 percent of Sitowise's net sales and Sweden business area represented 13.2 percent of Sitowise's net sales.

Sitowise's services are offered in 18 locations in Finland, and in addition Sitowise has an in-house competence center in Tallinn, Estonia, dedicated serving Finnish building consulting. In Sweden, Sitowise's services are offered in 9 locations, and in addition Sitowise has an in-house competence center in Riga, Latvia, dedicated serving the Swedish building market. The competence centers mainly provide Sitowise's projects with structural design.

	For the financial year ended 31 December		
(EUR thousand)	**2020 (audited)**	**2019 (unaudited)**	**2018 (unaudited)**
Net sales per business area			
Buildings	70,789	67,227	63,735
Infrastructure	54,164	50,628	45,129
Digital Solutions	14,088	12,257	11,299
Sweden	21,087	9,839	158
Others[1]	(46)	3,065	5,373
Total	**160,082**	**143,016**[2]	**125,693**

[1] "Others" includes discontinued operations and intercompany eliminations.
[2] Audited.

[72] Net debt (excluding lease liabilities).

18.7.1 Buildings

Sitowise's services in the Buildings business area cover the entire life-cycle of buildings, from early design phases of new construction to maintenance and renovation projects.

Sitowise's services in the Buildings business area are offered, among others, in the following fields:

- Construction contracting and supervision
- Surveys and quality control
- Structural engineering and building engineering physics
- Technical building services (HPAC, electricity, tele, safety and AV planning)
- Renovation engineering
- Specialist services, such as energy, automation, acoustics, fire safety, professional kitchen and hospital equipment design

Sitowise's customers in the Buildings business area include municipalities, housing cooperatives, construction companies and other private sector customers, and the net sales in the business area are relatively evenly split between these customer segments. The main types of buildings served are residential and service buildings, followed by office and commercial buildings. Approximately half of the net sales in the Buildings business area are related to new construction and half of the net sales are related to renovation construction. According to the view of Sitowise's management, approximately 20–25 percent of the net sales in the Buildings business area (including net sales related to building projects in Sweden) are derived from services targeted for commercial properties. Projects with other private sector customers, such as housing cooperatives are typically smaller and based on individual project agreements, whereas assignments for municipalities are mainly based on framework agreements.

Sitowise offers solutions by combining knowledge-based management with expert work. Sitowise carries out development cooperation with its customers on an ongoing basis with an emphasis on e.g. reducing the customer's carbon footprint, and, according to the view of Sitowise's management, the sector is shifting from monitoring the energy consumed by buildings in use to more holistic measures to optimize the carbon footprint throughout the design, construction and maintenance phases.

An example of Sitowise's urban expertise projects in the Buildings business area is Niittyhuippu, Finland's second tallest residential building that was built in Espoo in 2017. The project included structural engineering of a high rise building on top of a metro tunnel and required exceptionally high structural engineering competencies as well as analysis on wind effect on structural stability, structural dimensioning and facades.

18.7.2 Infrastructure

Sitowise's Infrastructure business area provides wide-ranging design and consultant services around all infrastructure except the energy sector.

Sitowise's services in the Infrastructure business area are offered, among others, in the following fields:

- Infrastructure
- Traffic and transport
- Urban development
- Environment and water
- Infrastructure construction

Sitowise's customers in the Infrastructure business area include state agencies, municipalities and private sector customers, of which state agencies and municipalities account for more than two thirds of the net sales in the business area. The majority of the net sales derived from the customer contracts with state agencies and municipalities in the Infrastructure business area are based on framework agreements.

Sitowise's experts in the Infrastructure business area create functional transport connections and cities. Infrastructure projects are often part of a larger entity of societal measures: for example, railway and road design often affect a wide geographical area and a large number of people using the routes.

Some of Sitowise's recent projects in the Infrastructure business area include Raide-Jokeri, 25 kilometers long light-rail line, which will replace Finland's most frequently operated bus line in Helsinki. Construction of Raide-Jokeri started in 2019 and it is estimated to start operating in 2024. In this project, Sitowise is part of the planning alliance for the project in cooperation with Ramboll Finland, Sweco Finland, YIT and NRC Group Finland. Sitowise is responsible for street, traffic, environmental, noise and vibration, geo, track, tunnel, bridge and structural design.

18.7.3 Digital Solutions

In the Digital Solutions business area Sitowise focuses on digital solutions for built environment and transportation as well as supporting specialist services. The solutions are based on latest technologies, data controlled approach as well as on deep client understanding. Digital capabilities bring unique competencies to Sitowise's offering, which combine digital pioneering with strong expertise in built environment.

Services are offered in the following fields:

- Customer-oriented software development
- Product solutions
- Specialist services and strategic consulting
- Service design
- Geospatial digital services
- Data engineering & Data Science
- Data management and digital twin

Sitowise's customers in the Digital Solutions business area include state agencies, municipalities and private sector customers of which state agencies and municipalities account for more than two thirds of the net sales in the business area. Most of the projects are focused on customers' data traffic, its development and maintenance. Contracts vary from project-based billing to recurring billing.

The Digital Solutions business area creates the digital landscape and sustainable mobility of the future. Sitowise's experts work to help clients save costs, time and the environment, rationalize design and construction, and create a society in which data is put to use for decision-making and service development.

Some of Sitowise's recent projects in the Digital Solutions business area include an information management system provided to the city of Helsinki in 2018–2019 based on a prorietary Louhi product, which is a digital platform for project coordination and information sharing in the city. The final product has two interfaces, public and private, and it is utilized by habitants and infrastructure constructors, such as teleoperators and energy companies. The public interface includes information about construction dates and durations and other arrangements related to the process. The private interface contains detailed information about the construction process, which is used by the municipality and construction companies.

18.7.4 Sweden

In Sweden Sitowise commenced its operations in 2019 through the acquisition of BTB. As at the date of this Offering Circular, Sitowise's operating subsidiaries in Sweden include BTB, TFIP and VVS. BTB is a consulting firm in the building sector offering structural engineering, construction administration and geotechnics services, and it has offices in Stockholm, Gothenburg, Uppsala, Jönköping, Malmö and Lund. TFIP is a technical installation consultant offering comprehensive solutions within infrastructure, especially in underground tunnel projects, and has offices in Gothenburg, Stockholm and Falun. VVS is a design and consulting company focused on building services and specializing in cultural buildings, offices and schools, laboratories, and healthcare premises.

Sitowise's operations in Sweden include buildings and infrastructure design services, and majority of the net sales are derived from building consulting. In the buildings service area Sitowise has strong expertise in larger, more complex, projects, such as hospitals' laboratories and large office complexes. Sitowise has expertise especially in steel frame and structural design of prefabricated elements. In the infrastructure service area Sitowise has specialized competencies in underground projects, such as railroad and road tunnels, and underground stations.

Sitowise's customers in Sweden include public real estate customers, private real estate companies, prefabricated element manufacturers, construction companies and infrastructure companies. One of TFIP's major end-customers is the Swedish Transport Administration (Trafikverket).

One of Sitowise's recent projects in Sweden include Citygate, a high-rise office building and a new landmark in Gothenburg, which is estimated to be completely built in 2022. Sitowise's subsidiary BTB has responsibility on steel frame design and structural design of prefabricated elements and on construction documentation in the project.

18.8 Customers and Sales

Sitowise benefits from a diverse customer base consisting of public and private sector customers. Public sector customers include state agencies and municipalities in both Finland and Sweden, which require technical consulting services in various infrastructure and building construction projects. Private sector customers include, for example, construction companies, real estate owners, housing cooperatives as well as other private companies, that require technical consulting services mainly for building construction projects. Different business areas serve same customers to some extent, which also offers cross-selling opportunities. Some of Sitowise's customers are one-time customers for an individual project, especially in case of private sector customers, while other customers make repeating orders based on framework agreements.

Sitowise's key customers include state agencies, such as the Finnish Transport Infrastructure Agency, large cities, and large construction firms. Approximately 33 percent of Sitowise's net sales were attributable to its ten (10) largest customers for the financial year ended 31 December 2020. Sitowise often provides services to several, unrelated projects or several units with the same customer, where the decision-making may be scattered throughout the customer's organization. Sitowise provides consulting services for projects of various sizes and participates in over 10,000 projects each year. Sitowise's customer projects vary in size from few thousands to millions of euros. During 2018–2020, Sitowise has had a few large, up to EUR 5–15 million projects but the size of the majority of projects has been less than one million euros.[73]

Sitowise offers its services based on time-based billing with or without capped total costs or based on fixed price, see more information on compensation structures under section "*Market and Industry Overview – Business Standards – Compensation Forms*". About two thirds of Sitowise's net sales are derived from time-based billing, with an even higher proportion of time-based billing in its operations in Sweden. Sitowise increasingly enters into customer agreements with fixed price or based on time-based billing with capped total costs.

Contract types range from sole consulting contracts, where Sitowise is responsible for all design phases, to alliance contracts in larger projects, where Sitowise works with other service providers as an integrated team (see also "*Market and Industry Overview – Business Standards – Contract Types*"). Sitowise's scale enables it to execute larger projects as sole consulting contracts, and sole consulting contracts account for a majority of Sitowise's customer contracts numerically. In larger projects, Sitowise also offers its services under contracts where the consulting has been shared between several service providers, and, to a lesser extent, alliance contracts.

Most of the contracts with public sector customers are awarded through procurement procedure based on the most economically advantageous tender. The most economically advantageous tender is a tender at the lowest price, at the most affordable cost, or with the best price-quality ratio for the contracting entity. According to the view of Sitowise's management, Sitowise has succeeded in the tender processes due to its quality of service offering and customer references.

[73] The sizes of the projects have been presented based on the value of the contract. Some of the project are still active, and the net sales derived from the projects are typically spread over several years.

In projects with private sector customers, certain contracts are also awarded based on general tendering, in which the customer distributes an invitation to tender for a consulting project. According to the view of Sitowise's management, these types of contracts are generally awarded based on references, quality, price and relationships.

The customer net promoter score in Buildings business area was 28, in Infrastructure business area 39, in Digital Solutions business area 21[74] and in Sweden 47[75] in 2019.

Sitowise's sales approach includes proactively and actively engaging in sales and proposal work, and selling both to existing and new customers. In the view of Sitowise's management, customers appreciate good and active sales efforts and local client presence. Sitowise has set goals for sales work and follows the progress.

The vast majority of Sitowise's customer agreements are based on general conditions on consulting, such as KSE 2013 in Finland and ABK09 in Sweden or, as regards digital solutions services, IT2000 or JIT. Sitowise has internal processes for evaluating and accepting the offers and the contracts, which depend on the project size or the deviations in the contract clauses. In Finland, the process is carried out at Voima Pro platform, but in Sweden the process is based on local operations models. Sitowise also utilizes historical data on estimating the time expenditure and pricing of a new project.

18.9 Personnel

As at the date of this Offering Circular, the total number of Sitowise's employees is 1,918. The table below sets forth the number of Sitowise's employees per country as at 31 December 2020, 2019 and 2018.

Total number of employees as at the end of the financial year		**As at 31 December**	
	2020	**2019**	**2018**
Finland	1,604	1,570	1,425
Sweden	241	134	-
Estonia	21	26	19
Latvia	36	39	-
Total	**1,902**	**1,769[1]**	**1,453[1]**

[1] Numbers include personnel from discontinued operations.

The following chart sets forth the number of Sitowise's employees per business area as at 31 December 2020.

Business area	**Number of personnel**
Buildings	841
Infrastructure	560
Digital Solutions	168
Sweden	277
Other (group services)	56
Total	**1,902**

The numbers presented in the tables above also include fixed-term employees. Sitowise has, especially as a part of its student internship program in Finland, "NextGen", employees on fixed-term contracts, the amount of which averaged 84 in 2020, and hourly-based employees, the amount of which averaged 186 in 2020.

As a result of Sitowise's active M&A strategy, the number of employees has grown significantly between 2018 and 2020. For the financial year ended 31 December 2020, the number of full-time employees was 155.

Based on the employee survey carried out in September 2020, employee satisfaction to Sitowise as an employer was on average 3.9 in the scale of 1 to 5 and employee net promoter score was 25.

In 2020, the average age of Sitowise's employees was 39 years, and a significant proportion (37 percent of the employees in 2020) was aged 30–39 years.

The employment relationships of the Finnish employees are governed by the Collective Bargaining Agreement for Senior Salaried Employees in the Consulting Sector (Fin: *Suunnittelu- ja konsulttialan ylempien toimihenkilöiden*

[74] Innolink customer survey 2019. NPS represents how likely the customer would recommend Sitowise to others.

[75] A survey conducted by international management consultant, including only BTB customers (17 answers).

työehtosopimus) and by the Collective Bargaining Agreement for Salaried Employees in the Consulting Sector (Fin: *Suunnittelu- ja konsulttialan toimihenkilöiden työehtosopimus*). For the purpose of handling matters concerning the employees collectively, the employees of Sitowise in Finland have elected a number of employee representatives (shop steward, Fin: *luottamusmies*) among themselves. These employee representatives negotiate with the employer about e.g. deviations to the provisions of the Collective Bargaining Agreements. Sitowise does not currently have any local agreements or other collectively agreed arrangements with its employees. Further, there have been two specific topics of disagreement between Sitowise and the Finnish employee representatives, one of which has led to a memorandum of dispute that has been submitted to the labour organization, and the other of which led to a settlement which was reached in March 2021.

Due to a change in the building market caused by coronavirus pandemic, Sitowise's Building business area consulted and implemented temporary lay-offs in the second half of 2020 for a period of maximum 90 days per employee, either full-time or part-time. In total 43 employees have been impacted by the temporary lay-offs. All lay-off periods were intended to end by 29 March 2021 but all the employees have been offered an opportunity to return to work already.

18.10 Sustainability

Sitowise's vision is to be the most sustainable and responsible partner in the industry in developing a prosperous living environment. Sitowise's most essential sustainable themes were identified and first sustainability programme was established in 2019. The views of Sitowise and its stakeholders on the most essential themes of corporate responsibility in Sitowise's operations were surveyed on the basis of a materiality analysis.

Sitowise's sustainability programme's focus areas are well-being professionals, well-being communities and well-being clients. In addition to these themes, Sitowise follows the carbon footprint of its own operations. Sitowise's biggest environmental impacts happen through the solutions provided to its customers.

There are two different approaches to sustainability in Sitowise's operations, as it strives for sustainability both through its large carbon handprint through customer projects and in its own internal operations. Sitowise's greatest sustainability impacts emerge from both large and small projects related to the development of the built environment. Construction and use of the built environment account for a significant share (around 40%[76]) of global energy consumption and cause high emissions. Through its projects, Sitowise can contribute to the health and safety of the environment and also to climate change mitigation and adaptation.

Internal actions to implement the sustainability vision include familiarizing employees with the sustainability program and the Code of Conduct, communicating internally and externally about sustainability, following sustainability metrics and setting goals, sustainability reporting as well as aiming to work with subcontractors whose sustainability values and actions are aligned with Sitowise's. Sitowise has a whistle blow channel which is aimed to ensure that Sitowise's ethical guidelines are complied with and that any possible concerns and violations are reported.

UN Sustainable Development Goals (SDG) define focus areas and goals for sustainable development until 2030. There are 17 global goals and 169 sub-goals.[77] The solutions planned by Sitowise affect the wellbeing of people and environment. Sitowise has identified the most essential goals for its operations and work in the UN framework which Sitowise primarily promotes. These include 3 Good health and well-being, 8 Decent work and economic growth, 9 Industry, innovation and infrastructure, 11 Sustainable cities and communities and 13 Climate action goals.

ESG values are closely followed in Sitowise's operations, also with the help of the Voima platform, and Sitowise measures its carbon footprint, analyzes the environmental friendliness of its offices and takes sustainability matters into consideration in its decision-making. Further, Sitowise's financing agreements include sustainability metrics, see "*Operating and Financial Review and Prospects – Liquidity and Capital Resources*".

[76] For example, according to the EU commission, buildings are responsible for approximately 40 percent of the total EU energy consumption. COM(2008) 780 final.

[77] There are in total 17 Sustainable Development Goals that were adopted by all UN Member States in 2015, as part of the 2030 Agenda for Sustainable Development. Source: https://www.un.org/sustainabledevelopment/sustainable-development-goals/.

18.11 Regulatory Environment and Governmental Permits

When offering designing and planning services to construction and renovation projects or infrastructure projects Sitowise's experts have to consider a wide range of laws and regulations enacted on both European and national level (including Finland and Sweden) especially relating to building regulations, including code of building regulations, health and safety regulations, such as technical regulation ensuring healthy and safe buildings, and environmental regulations, such as regulations on energy efficiency. In addition, customers may impose additional requirements for the services Sitowise offers, including the qualification of the consultant used. Sitowise ensures compliance with applicable legislation and regulations of the authorities by using external specialists when needed, and/or the consulting and specialist services commissioned or provided by its customers.

Further, in its operations, Sitowise processes personal data regarding, among others, its employees, partners and customers. Such processing of personal data is subject to extensive data protection laws and regulations, in particular GDPR, which also affects demands as to how Sitowise's operations are conducted.

In addition, Sitowise's operating environment is affected by the regulatory initiatives on both European and national level. One of the key initiatives affecting Sitowise's operating environment include the "European Green Deal", EU's new growth strategy with the target of becoming climate-neutral by 2025 by investing at least EUR 1 trillion. Actions included in the new growth strategy include, for instance, renovating buildings to minimize the energy use and roll-out of cleaner, cheaper and healthier forms of private and public transport.[78] Furthermore, the "EU Taxonomy" is a new EU framework for classifying green investments, with the purpose of reorienting capital flows towards sustainable investments. Furthermore, the Finnish government is preparing its first 12-year national transport system plan with the goal of increasing and guaranteeing the sustainability, accessibility and efficiency of the Finnish national transport system.[79] See also "*Market and Industry Overview – Trends and Drivers – Sustainability*".

18.12 Information Technology and Security

Sitowise has developed its internal Voima platform to enable more efficient and consistent operational practices group-wide. Voima platform has been developed in collaboration with an external partner by using several ready-made components. Voima is a proprietary digital collaboration platform that streamlines workflow management and collaboration. Voima platform includes codified best practices, guidance and model documents as well as proposal and project platform. Voima platform includes real-time data, which can be utilized in reducing risks. Voima platform is also used to monitor Sitowise's sustainability and enhancing post-merger integration as a tool for cultural cohesion and change management. Sitowise considers the platform to have further potential for operative project efficiency by integrating data and design systems into the platform.

In addition, Sitowise has developed two other proprietary IT systems that are currently used in connection with Sitowise's business operations: Kaiku is a data management system preceding Voima used primarily for document sharing and Aski is a document and data management system used primarily in HVAC projects. IP pertaining to these IT systems have been transferred to Sitowise by contractual means.

Sitowise developes its data security practices based on the ISO 27001 (information security management) requirements. The requirements of VAHTI, the cybersecurity guidelines set by the Finnish Ministry of Finance, are taken into account when ensuring the basic requirements for IT security. Sitowise is using outsourced security operations center observing data traffic and anomalities. Sitowise has audited operational capabilities for projects with higher security classification.

18.13 Intellectual Property Rights

The main IP asset for the Digital Solutions business is copyright protection pertaining to the source code of the application and software solutions developed internally at Sitowise and in connection with client projects. In addition, Sitowise has registered one trademark pertaining to its "Harava" survey platform. As regards product development, Sitowise uses appropriate IP clauses in its employment agreements to regulate transfer of rights to Sitowise.

[78] COM(2019) 640 final.

[79] The Finnish Ministry of Transport and Communication: LVM018:00/2019.

In connection with its client projects, Sitowise generally seeks to ensure that all business-relevant IP pertaining to the developed solutions either remain the property of Sitowise (where developed internally) or vest with Sitowise (where developed in co-operation with the clients and/or third parties). Sitowise uses standard terms of the Finnish governmental IT procurement (JIT2015 and IT2018) or corresponding contractual terms in its agreements with the clients to regulate the parties' rights pertaining to the solutions and the client typically receives the right to further develop a custom solution. Further, certain IP may also be agreed to vest with the client and/or a third party on a case-by-case basis.

18.14 Complaints

Due to a large amount of assignments annually and their characteristics, Sitowise may become, as a part of its ordinary course of business, subject to claims relating to among others, design errors or delays. Compensation risk is managed through liability insurance and limitation of liability clauses in customer agreements. Sitowise's liability insurance covers principally direct damages which are not caused intentionally or through gross negligence. Sitowise has detailed guidelines for managing deviations, customer feedback and complaints in connection with customer projects, and based on these it also aims actively to develop its operations.

As to the complaints, Sitowise makes the necessary expense entries in its financial statements in accordance with the IFRS. The amount of provisions in the balance sheet as at 31 December 2020 was EUR 1.8 million in total, majority of which comprised of provisions related to complaints.

18.15 Insurance

Sitowise carries insurance for liabilities relating to its projects and may take additional insurance relating to individual projects. In addition, Sitowise's insurance policies include, among others, cyber security, accidents, business premises and car as well as insurances for the personnel.

Sums insured and deductibles agreed in the insurance contracts are applied to Sitowise's insurance policies. The terms and conditions of the insurances are subject to restrictions typical of such insurances. In the view of Sitowise's management, the scope of Sitowise's insurance policies is in accordance with the industry and market practices.

18.16 Mergers and Acquisitions

Sitowise has an active M&A strategy, and since 1 January 2018 it has completed 23 acquisitions. These acquisitions are presented below:

- 2/2018: Sitowise acquired the entire share capital of Dimenteq Oy, which is a GIS and spatial data featured information system services specialist. Dimenteq Oy's net sales amounted to EUR 3.2 million for the financial year ended 31 December 2017.
- 6/2018: Sitowise acquired the entire share capital of HS-Tec Oy, a Tampere-based company providing house-building services. HS-Tec Oy's net sales amounted to EUR 1.0 million for the financial year ended 31 May 2018.
- 9/2018: Sitowise acquired the business operations of MA-arkkitehdit Oy, an architect company specialized in landscaping and land use planning. MA-arkkitehdit Oy's net sales amounted to EUR 0.6 million for the financial year ended 31 March 2018.
- 9/2018: Sitowise acquired the business operations of Insinööritoimisto Jorma Väänänen Oy, a Tampere-based engineering firm offering construction contracting and supervisory services. Insinööritoimisto Jorma Väänänen Oy's net sales amounted to EUR 1.1 million for the financial year ended 31 December 2017.
- 9/2018: Sitowise increased its shareholding from 25 percent to 55 percent in DWG AS, a Latvia-based company offering structural engineering services. DWG AS' net sales amounted to EUR 1.6 million for the financial year ended 31 December 2017.
- 10/2018: Sitowise acquired the entire share capital of Kon-Ins Oy, an engineering firm specialized in road construction and water supply engineering. Kon-Ins Oy's net sales amounted to EUR 0.8 million for the financial year ended 31 December 2017.

- 11/2018: Sitowise acquired Geotek Oy's design business. Sitowise held previously 45 percent of the shares in Geotek Oy, but as a result of the transaction, the shares were sold.
- 12/2018: Sitowise acquired the entire share capital of Bridge-Expert Ltd, a company specializing in inspection operations, repair planning and quality assurance measurements for repairs of bridges and other engineering structures. Bridge-Expert Ltd's net sales amounted to EUR 2.0 million for the financial year ended 31 December 2017.
- 1/2019: Sitowise acquired the entire share capital of Insinööritoimisto LVI-Insinöörit Oy, a Kuopio-based engineering firm specialising in HVAC design. Insinööritoimisto LVI-Insinöörit Oy's net sales amounted to EUR 1.4 million for the financial period between 1 July 2018 and 31 December 2019.
- 3/2019: Sitowise acquired the entire share capital of United Engineers Ltd., a company specializing in electrical design. United Engineers Ltd.'s net sales amounted to EUR 2.3 million for the financial year ended 31 December 2018.
- 5/2019: Sitowise acquired the entire share capital of BTB, which operated in Stockholm, Gothenburg and Uppsala. Sitowise gained 140 new structural engineers through the acquisition and expanded its operatons to Sweden. BTB's net sales amounted to EUR 15.6 million for the financial year ended 31 December 2018.[80]
- 6/2019: Sitowise acquired the business operations of design agency Oy PN-Line Ltd, which specializes in fuel station design and permit processes. Oy PN-Line Ltd's net sales amounted to EUR 0.5 million for the financial year ended 31 December 2018.
- 11/2019: Sitowise acquired Envimetria Oy, a consultancy specializing in environmental measurements and related expert services. Envimetria Oy's net sales amounted to EUR 1.3 million for the financial year ended 31 August 2019.
- 12/2019: Sitowise acquired the entire share capital of Sähkösuunnittelu Elbox Oy, a company specialized in electrical wiring design. Sähkösuunnittelu Elbox Oy's net sales amounted to EUR 1.3 million for the financial year ended 31 December 2018.
- 12/2019: Sitowise acquired Saircon Oy, which specializes in the design of hospital technology and institutional kitchens. Saircon Oy's net sales amounted to EUR 0.8 million for the financial year ended 31 December 2018.
- 12/2019: Sitowise acquired the entire share capital of Karlsson & Segelström Construct AB and Segelström & Karlsson Bygg AB, which are structural design companies active in Örebro specializing in precast design. Karlsson & Segelström Construct AB's net sales amounted to EUR 3.3 million and Segelström & Karlsson Bygg AB's net sales amounted to EUR 1.0 million for the financial year ended 31 December 2018.[81]
- 7/2020: Sitowise acquired the entire share capital of Ficonic Solutions Oy, which has expertise especially in mobility and transport infrastructure IT solutions. Ficonic Solutions Oy's net sales amounted to EUR 1.6 million for the financial year 1 October 2019–31 December 2020.
- 11/2020: Sitowise acquired the entire share capital of TFIP which strengthened Sitowise's presence in Sweden. TFIP's net sales amounted to EUR 6.6 million for the financial year ended 31 December 2020.[82]
- 12/2020: Sitowise acquired the entire share capital of Paloässät Oy, which is a design agency that specializes in fire engineering design providing specialist services for new and repair projects. Paloässät Oy's net sales amounted to EUR 2.9 million for the financial year ended 31 December 2020.
- 2/2021: Sitowise acquired the entire share capital of a building services specialist VVS. VVS' net sales amounted to EUR 3.6 million for the financial year ended 30 April 2020.[83]
- 2/2021: Sitowise acquired the entire share capital of Sweetlakes Oy, a company specialized in cloud and mobile development as well as security information system solutions. Sweetlakes Oy's net sales amounted to EUR 0.8 million for the financial year ended 31 December 2020.

[80] Converted from SEK to EUR using 2018 average EUR/SEK exchange rate.

[81] Converted from SEK to EUR using 2018 average EUR/SEK exchange rate.

[82] Converted from SEK to EUR using 2020 average EUR/SEK exchange rate .

[83] Converted from SEK to EUR using 2020 average EUR/SEK exchange rate.

- 2/2021: Sitowise acquired the entire share capitals of Benviroc Oy and MSDI Oy. The companies are specialized in digital climate and sustainability services and their combined net sales amounted to EUR 0.7 million for the financial year ended 31 December 2020.

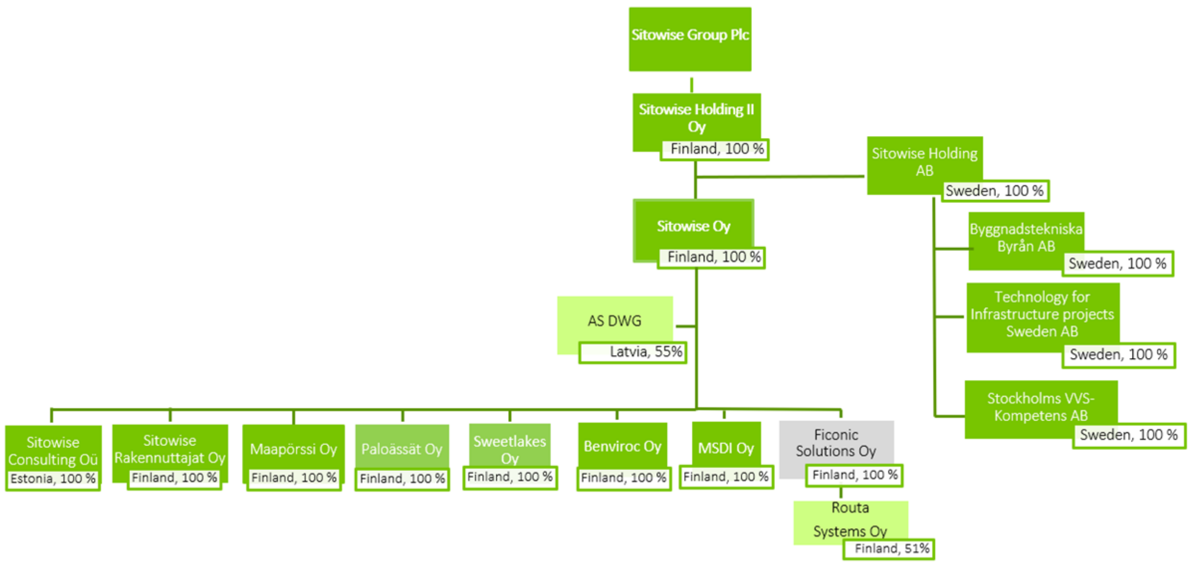
Historically (1 November 2016 – 31 December 2020) the average EV/EBITDA multiple on Sitowise's acquisitions has been approximately 5.5x.[84]

The majority of the acquired companies in Finland have been merged into Sitowise Oy. Karlsson & Segelström Construct AB and Segeltröm & Karlsson Bygg AB have been merged into BTB.

18.17 Group Legal Structure

As at the date of this Offering Circular, the Group consists of its parent company Sitowise Group Plc (formerly Sitowise Holding I Oy) and subsidiaries in Finland, Sweden, Estonia and Latvia. The Company and its subsidiary Sitowise Holding II Oy provide administrative services to the group companies and have no other operative business.

The following picture sets forth the Group's current legal structure:



Picture: Sitowise's group structure.[85]

In addition to the subsidiaries, Sitowise holds 19.08 percent of the shares in a Finnish limited liability company Smaragdus Oy, which is a holding company with subsidiaries specializing in industrial engineering and project management in energy sector. In the Group balance sheet Smaragdus Oy is recorded as investment.

18.18 Legal Proceedings

From time to time, Sitowise is involved in various claims and legal proceedings arising in the ordinary course of business. Examples of these include employee claims, claims presented by customers and administrative proceedings. See also "– *Complaints*" above.

[84] Historical multiple is based on 26 acquisitions and calculated based on reported EBITDA for the latest financial year before the acquisition or 3-year average historical EBITDA. 3-year average historical EBITDA used for Maapörssi Oy, HS-Tec Oy, Insinööritoimisto Jorma Väänänen Oy, Kon-Ins Oy and Envimetria Oy. Pro forma EBITDA for the latest financial year before the acquisition used for Karlsson & Segelström Construct AB (pro forma including Segelström & Karlsson Bygg AB). Annualized EBITDA for the latest 6 month period before the acquisition used for Insinööritoimisto LVI-Insinöörit Oy.

[85] Ficonic Solutions Oy will be merged to Sitowise Oy on 31 March 2021. TFIP has three fully-owned subsidiaries: Technology for Infrastructure projects Gothenburg AB, Technology for Infrastructure projects International AB, and Technology for Infrastructure projects Stockholm AB. Sweetlakes Oy has a fully-owned Finnish subsidiary, Honestpay Oy.

In the 12 months preceding the date of this Offering Circular, Sitowise has not been involved in any governmental, legal or arbitration proceedings which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company and/or the Group, nor is the Company aware of any pending proceedings or the threat thereof.

18.19 Material Agreements

18.19.1 Shareholders' Agreement Relating to DWG AS

The Company has entered into a shareholders' agreement relating to DWG AS with three key emloyees of DWG AS on 31 August 2018. In addition to certain customary terms and conditions of a shareholders' agreement, the Company has a right pursuant to the shareholders' agreement from 1 January 2021 to redeem all the shares in DWG AS held by the key employees. In addition, these key employees have from 1 January 2021 onwards right to demand the Company to redeem their shares. The value of DWG AS shares in these situations is calculated based on the enterprise values determined for DWG AS and the companies acquired by it, and determination of combined cash and net debt position of DWG AS and any acquired companies.

18.19.2 New Financing Agreement

Sitowise has negotiated an extensive refinancing arrangement, which is conditional on the execution of the Listing. A EUR 100.0 million facilities agreement in respect of the refinancing was signed on 12 March 2021 between Sitowise as borrower and two Nordic banks. See more information on the financing agreement in section "*Operating and Financial Review and Prospects – Liquidity and Capital Resources – Net Debt – Refinancing*".

19. SELECTED FINANCIAL INFORMATION

Sitowise has prepared the first consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as at and for the financial year ended 31 December 2019. Sitowise's first audited consolidated financial statements prepared in accordance with the IFRS include the unaudited comparative financial information as at and for the financial year ended 31 December 2018 as well as the opening IFRS balance sheet as per date of transition 1 January 2018. Sitowise's audited consolidated financial statements as at and for the financial year ended 31 December 2018 have been prepared in accordance with the Finnish accounting standards (FAS).

The financial information presented below has been derived from Sitowise's audited consolidated financial statements as at and for the financial years ended 31 December 2020 and 31 December 2019, including comparative unaudited consolidated financial information as at and for the financial year ended 31 December 2018, prepared in accordance with IFRS as adopted by the EU.

The selected financial information provided herein should be read together with "*Financial Statements Related and Certain Other Information*" and the Company's audited consolidated financial statements as at and for the financial years ended 31 December 2020 and 31 December 2019, prepared in accordance with IFRS and the Company's audited consolidated financial statements as at and for the financial year ended 31 December 2018, prepared in accordance with the Finnish accounting standards (FAS) incorporated by reference into this Offering Circular.

19.1 Consolidated Statement of Comprehensive Income

	For the financial year ended 31 December		
(EUR thousand)	**2020 (audited)**	**2019 (audited)**	**2018 (unaudited)**
Net sales	**160,082**	**143,016**	**125,693**
Other operating income	1,365	815	1,020
Materials and services	(13,220)	(13,398)	(12,921)
Personnel expenses	(101,935)	(91,692)	(79,896)
Other operating expenses	(20,012)	(19,422)	(14,834)
Share of profit of associated companies	0	0	393
Depreciation, amortization and impairment	(8,008)	(8,674)	(6,184)
Operating profit	**18,272**	**10,644**	**13,271**
Financial income	1,163	477	48
Financial expenses	(3,539)	(2,745)	(2,193)
Profit before taxes	**15,896**	**8,376**	**11,126**
Income taxes	(3,215)	(506)	(1,613)
Result from continuing operations	**12,681**	**7,870**	**9,513**
Discontinued operations			
Result from discontinued operations	118	(1,012)	(6,480)
Profit for the period	**12,798**	**6,858**	**3,033**
Other comprehensive income			
Profit for the period	**12,798**	**6,858**	**3,033**
Items that will not be reclassified to profit or loss			
Recognition of change in the fair value of other investments through comprehensive income	230	0[1]	0
Items that may be reclassified to profit or loss			
Change in translation difference	243	124	(10)
Total comprehensive income	**13,271**	**6,982**	**3,023**
Attributable to:			
Owners of the parent	13,201	7,006	3,042
Non-controlling interest	70	(24)	(19)

[1] Adjusted, unaudited. Adjusted in the financial statements 2020 for the financial year 2019.

19.2 Consolidated Balance Sheet

(EUR thousand)	As at 31 December 2020 (audited)	2019 (audited)	2018 (unaudited)
Assets			
Goodwill	118,081	101,733	79,139
Other intangible assets	5,681	3,961	1,879
Tangible assets	34,174	27,561	17,566
Participating interests	0	0	0
Other shares, similar rights of ownership and receivables	1,682	1,252	823
Deferred tax assets	304	1,401	181
Other receivables	0	0	0
Non-current assets total	**159,922**	**135,908**	**99,589**
Trade and other receivables	45,404	41,268[1]	34,127
Deferred tax assets	740	911[1]	-[2]
Cash and cash equivalents	15,463	10,346	9,280
Current assets total	**61,607**	**52,524**	**43,407**
Assets total	**221,528**	**188,432**	**142,996**
Shareholders' equity and liabilities			
Share capital	3	3	3
Fund for invested unrestricted equity	40,663	40,471	32,610
Fair value reserve	230	0	0
Subordinated loans	14,145	14,145	14,145
Translation difference	360	117	(6)
Retained earnings	11,370	2,343	(1,118)
Equity attributable to owners of the parent	**66,770**	**57,078**	**45,634**
Non-controlling interest	110	291	164
Total shareholders' equity	**66,880**	**57,369**	**45,798**
Deferred tax liabilities	1,985	1,257	172
Financial liabilities	92,554	77,179	50,906
Other liabilities	12	2	40
Non-current liabilities total	**94,551**	**78,437**	**51,118**
Income tax liabilities	1,608	842	1,009
Financial liabilities	9,379	7,979	12,614
Provisions	1,793	1,634	974
Accounts payable and other liabilities	47,317	42,171	31,481
Total current liabilities	**60,098**	**52,626**	**46,079**
Total shareholders' equity and liabilities	**221,528**	**188,432**	**142,996**

[1] Adjusted, unaudited. Adjusted in the financial statements 2020 for the financial year 2019.
[2] In the financial statements for the financial year ended 31 December 2019, deferred tax assets have been included in the item trade and other receivables.

19.3 Consolidated Cash Flow Statement

(EUR thousand)	For the financial year ended 31 December 2020 (audited)	2019 (audited)	2018 (unaudited)
Cash flow from operating activities:			
Profit for the period	12,798	6,858	3,033
Adjustments			
Income taxes	3,215	506	1,613
Depreciation, amortization and impairment	8,008	9,399	6,184
Share of profit of associated companies	0	0	(393)
Financial income and expenses	2,376	2,268	4,763
Other adjustments	694	49	27
Change in working capital			
Increase (+) / decrease (-) in trade and other receivables	(700)	(2,194)	(1,259)
Increase (+) / decrease (-) in accounts payable and other liabilities	5,117	2,011	102
Interest paid and other financial expenses	(6,495)	(2,890)	(2,015)
Interest received and other financial income	73	91	117
Income taxes paid	(959)	(1,654)	(1,667)
Cash flow from operating activities	**24,128**	**14,444**	**10,505**
Cash flow from investing activities:			
Investments in tangible and intangible assets	(3,133)	(2,601)	(1,786)
Acquired and divested business operations	739	(900)	(1,537)
Acquisitions of subsidiaries, net of cash acquired	(21,717)	(21,659)	(8,615)
Purchase and sale of other shares	(24)	73	(32)
Cash flow from investing activities	**(24,135)**	**(25,087)**	**(11,969)**
Cash flow from financing:			
Payments from share issue	3,761	7,861	2,491
Withdrawal of loans	14,559	20,384[1]	-
Repayment of loans	(4,091)	(8,328)[1]	-
Withdrawal/repayment of loans	-	-	12,376
Share repurchase	(1,613)	(2,432)	(1,518)
Dividends paid	(2,618)	(906)	(460)
Payment of lease liabilities	(5,011)	(4,896)	(3,826)
Cash flow from financing	**4,987**	**11,683**	**9,063**
Cash and cash equivalents at the start of the period	10,346	9,280	1,681
Change in cash and cash equivalents, increase (+) / decrease (-)	4,980	1,040	7,599
Impact of changes in foreign exchange rates	137	26	0
Cash and cash equivalents at the end of the period	**15,463**	**10,346**	**9,280**

[1] Adjusted, unaudited. Adjusted in the financial statements 2020 for the financial year 2019.

19.4 Key Figures

(EUR thousand, unless otherwise indicated)	As at and for the financial year ended 31 December 2020	2019	2018
	(unaudited, unless otherwise indicated)		
Net sales	160,082[1]	143,016[1]	125,693
Growth in net sales (%)	11.9	13.8	-
Organic growth (%)	3.0	1.8	-
EBITA	19,535	12,317	13,813
EBITA margin (%)	12.2	8.6	11.0
Adjusted EBITA	20,633	15,481	14,461
Adjusted EBITA margin (%)	12.9	10.8	11.5
EBITDA	26,280	19,318	19,455
Adjusted EBITDA	21,433	16,448	15,423
Operating profit	18,272[1]	10,644[1]	13,271
Operating profit margin (%)	11.4	7.4	10.6
Personnel expenses	101,935[1]	91,692[1]	79,896
Financial income and expenses	(2,376)[1]	(2,268)[1]	(2,145)
Profit before taxes	15,896[1]	8,376[1]	11,126
Profit for the period	12,798[1]	6,858[1]	3,033
Balance sheet total	221,528[1]	188,432[1]	142,996
Shareholders' equity	66,880[1]	57,369[1]	45,798
Cash and cash equivalents	15,463[1]	10,346[1]	9,280
Net debt (excluding lease liabilities)	56,583	50,662	39,381
Net debt (excluding lease liabilities) / Adjusted EBITDA (multiple)	2.6x	3.1x	2.6x
Gearing (excluding lease liabilities) (%)	85	88	86
Equity ratio (%)	30.2	30.4	32.0
Return on equity (%)	20.6	13.3	6.9
Return on capital employed (%)	12.1	8.7	13.0
Investments in tangible and intangible assets	3,133[1]	2,601[1]	1,786
M&A capex	21,002	22,486	10,183
Operative free cash flow	22,717	13,664	12,480
Cash conversion (%)	106.0	83.1	80.9
Earnings per share	9.69[2]	5.48[3]	2.47[4]
Diluted earnings per share	9.63[5]	5.45[6]	2.47[7]
Earnings per share, continuing operations	9.60[2]	6.29[3]	7.75[4]
Diluted earnings per share, continuing operations	9.54[5]	6.25[6]	7.75[7]
Utilisation rate (%)	77.3	76.2	77.9
Normal working hours	1,933	1,908	1,908
Average number of full-time employees (FTEs)	1,555	1,442	1,233
Average number of personnel	1,823	1,514	1,290
Personnel at the end of the period	1,902	1,769	1,453

[1] Audited.
[2] Number of shares, average: 1,265,355.
[3] Number of shares, average: 1,255,873.
[4] Number of shares, average: 1,229,622.
[5] Diluted number of shares, average: 1,273,047.
[6] Diluted number of shares, average: 1,263,565.
[7] Diluted number of shares, average: 1,229,622.

19.5 Calculation of Certain Alternative Performance Measures and Other Key Figures

19.5.1 Formulas for key performance indicators

Measure	Definition	Purpose of use
Organic growth in net sales	Growth in net sales excluding acquisitions and divestments	Describes the growth in net sales excluding acquisitions and divestments.
Operating profit excluding amortization of intangible assets (EBITA)	Operating profit + amortization of intangible assets (incl. impairment of goodwill)	A measure of the profitability of the Group.
Operating profit excluding amortization of intangible assets (%) (EBITA margin)	EBITA / net sales	A measure of the profitability of the Group.
Adjusted operating profit excluding amortization of intangible assets (Adjusted EBITA)	EBITA + items affecting comparability	Adjusted key figures are used to improve the comparability between different periods.
Adjusted operating profit excluding amortization of intangible assets (%) (Adjusted EBITA margin)	Adjusted EBITA / net sales	Adjusted key figures are used to improve the comparability between different periods.
EBITDA	Operating profit + depreciation, amortization and impairment	A measure of the profitability of the Group.
Adjusted EBITDA	EBITDA + items affecting comparability, in addition all lease liabilities are treated as operating leases, so lease expenses on the whole affect EBITDA	Adjusted key figures are used to improve the comparability between different periods. Adjusted EBITDA is used to calculate the Group's indebtedness.
Operating profit	Profit before interest and taxes	Operating profit is a material key figure to understanding the Group's financial performance.
Operating profit margin (%)	Profit before interest and taxes / net sales	Operating profit is a material key figure to understanding the Group's financial performance.
Net debt (excluding lease liabilities)	Loans from financial institutions - cash and cash equivalents (Net debt does not include lease liabilities)	Indicates the total amount of the Group's external debt financing, excluding lease liabilities.
Net debt (excluding lease liabilities) / Adjusted EBITDA (multiple)	Net debt (excluding lease liabilities) / Adjusted EBITDA	Indicates the Group's level of indebtedness, excluding lease liabilities.
Gearing (excluding lease liabilities), %	Net debt (excluding lease liabilities) / Total shareholders' equity x 100	Gearing describes the Group's indebtedness, excluding lease liabilities.
Equity ratio (%)	Total shareholders' equity / Balance sheet total x 100	Equity ratio indicates the share of the Group's assets that have been financed with equity.
Return on equity (ROE), %	Profit for the period / Total shareholders' equity, average	Measures the profit for the period in relation to the total shareholders' equity.
Return on capital employed (ROCE), %	(Profit before taxes + financial expenses) / (Balance sheet total - non-interest-bearing liabilities), average	The key figure gives information to help follow the return on capital employed.
M&A capex	Acquired and divested business operations + Acquisitions of subsidiaries, net of cash acquired + Purchase and sale of other shares	Describes the use of funds for mergers and acquisitions.
Operative free cash flow	Adjusted EBITDA - Investments in tangible and intangible assets +/- Change in working capital	Free cash flow provides information on the cash flow, which the Group is able to accumulate after its investments.
Cash conversion (%)	Operative free cash flow / Adjusted EBITDA	Cash conversion describes how much of the EBITDA is converted into free cash flow.

19.5.2 Key operative indicators and other key figures

Measure	Definition
Earnings per share	Profit for the period - non-controlling interest - after-tax amount of preference dividends decided to be distributed / number of A1 and A2 shares, average
Diluted earnings per share	Profit for the period - non-controlling interest - after-tax amount of preference dividends decided to be distributed / diluted number of A1 and A2 shares, average
Earnings per share, continuing operations	Result from continuing operations - non-controlling interest - after-tax amount of preference dividends decided to be distributed / number of A1 and A2 shares, average
Diluted earnings per share, continuing operations	Result from continuing operations - non-controlling interest – after-tax amount of preference dividends decided to be distributed / diluted number of A1 and A2 shares, average
Utilisation rate (%)	The total amount of hours billed in relation to the total amount of working hours. Includes acquired companies in Finland after merging the companies into the Group and in Sweden only BTB. Utilisation rate does not include discontinued operations.
Normal working hours	The number of working hours of a full-time employee according to the calendar during the period, excluding absences and overtime
Average number of full-time employees (FTEs)	The Group's personnel converted into a value corresponding with the number of full-time employees, average during the period.

19.5.3 Reconciliation of Certain Alternative Performance Measures

	For the financial yearended 31 December		
	2020	2019	2018
(EUR thousand, unless otherwise indicated)	(unaudited, unless otherwise indicated)		
Items affecting comparability, costs			
Restructuring costs	253	796	47
Integration costs	670	639	813
Acquisitions and costs related to acquisitions	(343)	776	(508)
IPO expenses	408	317	0
Other	111	65	167
Items affecting comparability, costs	**1,098**	**2,593**	**519**
Items affecting comparability, depreciation	0	571	129
EBITDA and Adjusted EBITDA			
Operating profit	18,272[1]	10,644[1]	13,271
Depreciation, amortization and impairment	8,008[1]	8,674[1]	6,184
EBITDA	**26,280**	**19,318**	**19,455**
Items affecting comparability, costs	1,098	2,593	519
All lease liabilities are treated as operating leases, so lease expenses on the whole affect EBITDA	(5,946)	(5,464)	(4,551)
Adjusted EBITDA	**21,433**	**16,448**	**15,423**
EBITA and Adjusted EBITA			
Operating profit	18,272[1]	10,644[1]	13,271
Amortization of intangible assets (incl. impairment of goodwill)	1,263[1]	1,673[1]	542
EBITA	**19,535**	**12,317**	**13,813**
Items affecting comparability, costs	1,098	2,593	519
Items affecting comparability, depreciation	0	571	129
Adjusted EBITA	**20,633**	**15,481**	**14,461**
Net debt (excluding lease liabilities)			
Non-current loans from financial institutions	68,728[1]	57,625[1]	40,642
Current loans from financial institutions	3,318[1]	3,383[1]	8,018
Loans from financial institutions	**72,047**[1]	**61,008**[1]	**48,660**
Cash and cash equivalents	15,463[1]	10,346[1]	9,280
Net debt (excluding lease liabilities)	**56,583**	**50,662**	**39,381**

(EUR thousand, unless otherwise indicated)	For the financial yearended 31 December 2020	2019	2018
	(unaudited, unless otherwise indicated)		
Operative free cash flow			
Adjusted EBITDA	21,433	16,448	15,423
Investments in tangible and intangible assets	3,133[1]	2,601[1]	1,786
Change in working capital	4,417[1]	(183)[1]	(1,157)
Operative free cash flow	**22,717**	**13,664**	**12,480**
Return on equity (ROE), %			
Profit for the period	12,798[1]	6,858[1]	3,033
Total shareholders' equity, average	62,125	51,584	44,158
Return on equity (ROE), %	**20.6%**	**13.3%**	**6.9%**
Return on capital employed (ROCE), %			
Balance sheet total, beginning of the year	188,432[1]	142,996[1]	120,666
Balance sheet total, end of the year	221,528[1]	188,432[1]	142,996
Balance sheet total, average	**204,980**	**165,714**	**131,831**
Non-interest-bearing liabilities, beginning of the year	42,171	32,455	26,088
Non-interest-bearing liabilities, end of the year	47,317	42,171	32,455
Non-interest-bearing liabilities, average	**44,744**	**37,313**	**29,272**
Profit before taxes + financial expenses	19,435	11,120	13,319
Balance sheet total - non-interest-bearing liabilities, average	160,236	128,401	102,559
Return on capital employed (ROCE), %	**12.1%**	**8.7%**	**13.0%**
M&A capex			
Acquired and divested business operations	(739)[1]	900 [1]	1,537
Acquisitions of subsidiaries, net of cash acquired	21,717[1]	21,659[1]	8,615
Purchase and sale of other shares	24[1]	(73)[1]	32
M&A capex	**21,002**	**22,486**	**10,183**

[1] Audited.

For more information on items affecting comparability, see "*Operating and Financial Review and Prospects – Items Affecting Comparability between Periods – Items Affecting Comparability*".

20. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following review should be read together with the section "Selected Financial Information" of this Offering Circular and the Company's audited consolidated financial statements as at and for the financial years ended 31 December 2020, 31 December 2019 and 31 December 2018 incorporated by reference into this Offering Circular. For more information on the accounting principles used when preparing the consolidated financial statements, see the notes to the Company's consolidated financial statements incorporated by reference.

The financial information presented below has been derived from the Company's audited consolidated financial statements as at and for the financial year ended 31 December 2020 and 31 December 2019, including the unaudited comparative consolidated financial information as at and for the financial year ended 31 December 2018, prepared in accordance with IFRS.

This review contains forward-looking statements, which are inherently subject to risks and uncertainties. The actual results may differ materially from those expressed or implied in the forward-looking statements. See "Forward-looking Statements" and "Risk Factors" above, as well as "– Prospects" below.

20.1 Overview

Sitowise is a Nordic expert in the built environment that offers sustainable design and consulting services for projects of all sizes. Sitowise offers its services in the following business 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, which primarily service Sitowise's projects in Finland and Sweden. Sitowise employs over 1,900 experts. For the financial year ended 31 December 2020, 86 percent of Sitowise's net sales was derived from Finland, 13 percent from Sweden and 1 percent from other countries[86].

For the financial year ended 31 December 2020, Sitowise's net sales amounted to EUR 160.1 million of which the Buildings business area represented 44.2 percent, the Infrastructure business area represented 33.8 percent, the Digital Solutions business area represented 8.8 percent and Sweden represented 13.2 percent. In addition, group eliminations and discontinued operations are reported separately.

The following table sets forth Sitowise's key financial metrics for the financial years ended 31 December 2020, 2019 and 2018.

	As at and for the financial year ended 31 December		
	2020	2019	2018
(EUR thousand)	**(unaudited, unless otherwise indicated)**		
Net sales	160,082[1]	143,016[1]	125,693
Organic growth in net sales (%)	3.0	1.8	-
EBIT	18,272[1]	10,644[1]	13,271
EBIT margin (%)	11.4	7.4	10.6
EBITA	19,535	12,317	13,813
EBITA margin (%)	12.2	8.6	11.0
Adjusted EBITA	20,633	15,481	14,461
Adjusted EBITA margin (%)	12.9	10.8	11.5

[1] Audited.

20.2 Key Factors Affecting the Business and Results of Operations

Sitowise's results of operations are affected by various internal and external factors. The discussion below describes certain key factors that have or may have impacted Sitowise's results of operations. These factors may also impact the business in the future, but it should be noted that past performance is no guarantee of future results.

20.2.1 Demand for Technical Consulting Services

Sitowise's net sales are directly linked to the volume of technical consulting services it provides. Demand for technical consulting services varies between different customer groups. Sitowise's public sector customers include state agencies and municipalities, which require technical consulting services in various infrastructure and

[86] The net sales of the geographical areas are reported by the customer's location.

construction projects. Private sector customers include, for example, construction companies, real estate owners, housing cooperatives as well as other private companies. Private sector customers require technical consulting services mainly for building construction projects.

The volume of services Sitowise provides is affected by the overall demand for technical consulting services, which is driven by general economic conditions within the branches, industries and sectors to which Sitowise offers its services. The volume of services provided is also affected by Sitowise's ability to retain existing customers and to win new contracts with private and public sector customers.

During the periods under review, the overall increase in the demand for technical consulting services was a significant driver in net sales increase of Sitowise. Between 2020 and 2025, the Finnish technical consulting market is further expected to grow with a CAGR of approximately 3 percent, reaching EUR 1.7–2.0 billion in 2025. During this time period, building consulting is expected to grow at a CAGR of approximately 3 percent and infrastructure consulting at a CAGR of approximately 2 percent.[87]

Construction companies are important customers in Sitowise's Buildings business area, which is Sitowise's largest business area measured in net sales. Approximately half of the net sales in the Buildings business area are related to new construction, which is cyclical by its nature. The construction market is affected by macroeconomic factors, such as the phase in the business cycle, the possibility of global economic disturbances, consumer and business confidence, prevailing interest rates, availability of financing and employment rate. In 2021, following the coronavirus pandemic, the construction market in Finland is estimated to decline by 4.7 percent, mainly due to a slowdown in new construction projects, and the technical consulting market is estimated to decline by 2.5–2.7 percent.[88]

In the Infrastructure business area, the services offered to state agencies and municipalities account for more than two thirds of Sitowise's net sales. The infrastructure market is largely affected by the Finnish and Swedish government's existing and planned projects for renovation and construction of e.g. the transporation network. The purchasing decisions of Sitowise's customers within the public sector are also affected by political decision-making. As such, the infrastructure market can experience fluctuations depending on the prevailing investments and project base as well as the financial condition on both national and the municipal levels, which impact investments in public service buildings and infrastructure, and therefore the demand for Sitowise's services.

Sitowise estimates that the penetration of technical consulting services market is driven by increasing construction complexity, increasing technology content, tightening regulation and emphasis on sustainability, and greater focus on life cycle costs. As a result, the technical consulting market has historically been resilient compared to overall economic development and the construction market.

Structural growth drivers, such as urbanization, renovation backlog, sustainability and digitalization, are also expected to continue to drive the demand for technical consulting services (see more in section "*Market and Industry Overview – Trends and Drivers*").

Sitowise offers services related to new construction as well as to renovation construction. The demand for new construction in the regional growth centers has in recent years been driven especially by the trends of migration and urbanization. An increase in population in major urban areas requires investments in complex building and infrastructure solutions within already built environments, and this has resulted in increased demand for thorough plans and designs done by technical consultants. On the other hand, the ageing Finnish building and infrastructure stock is expected to affect the need for maintenance and renovation services.

Sitowise management considers that the sustainability initiatives, directives and expressed targets, especially by the EU, are expected to affect investments aimed at increasing energy efficiency and which, in turn, will affect the demand for skilled providers of technical solutions and designs. Further, the speed of technological development in buildings and infrastructure will affect the need for specialized planning and design skills of technical consulting companies.

[87] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise.

[88] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise

20.2.2 Demand for Digital Solutions for Built Environment

In the Digital Solutions business area Sitowise's offering combines IT and technical consulting know-how. This offering is complementary to the Buildings and Infrastructure business areas and includes software development expertise and digital consulting. For the financial year ended 31 December 2020, the Digital Solutions business area represented 8.8 percent of Sitowise's net sales, and Sitowise's operational results are therefore also affected by the demand for the digital solutions services that Sitowise offers. During the periods under review, the increased demand for digital solutions services has positively contributed to Sitowise's net sales.

Digital Solutions has a high share of public customers, with state agencies and municipalities accounting for more than two thirds of net sales of the business area. The demand for services offered to public sector customers has in recent years been less dependent on macroeconomic outlook. On the other hand, the purchasing power of Sitowise's customers within the public sector is affected by political decisions, and the public sector's financial condition on both national and the municipal levels.

Sitowise sees growth potential in Digital Solutions both in planning and construction phase as well as in services for the built environment. The key driver that influences the demand for the services in the Digital Solutions business area is digitalization, which is expected to lead to an increasing demand for, for example, smart digital infrastructure consulting, data management in projects, smart and predictive situational awareness of the built environment as well as critical systems and information services for roads, railways, waterways and mobility.

20.2.3 Utilization Rate, Hourly Rates and Efficiency of Operations

The utilization rate of Sitowise's employees as well as the employees' hourly rates affect Sitowise's profitability. During the periods under review, Sitowise has focused on the efficiency of its operations by ensuring that its employees can use their working hours primarily for billable customer work, which has led to a competitive utilization rate of 77.3 percent in 2020.[89] Utilization rate measures total billable hours in relation to the total hours of attendance for all employees. However, not all hours are necessarily billed as the utilization rate measures the hours that have been registered for customer projects.

Sitowise estimates primarily the time expenditures of each project and assesses which resources are required for the assignment, and sets the price for its services in accordance with the estimates. When Sitowise enters into agreements with fixed-price component, it bears a risk that the costs and profit realized from such an assignment may differ substantially from the original calculations and may render the project unprofitable.

Sitowise's employees' utilization rate depends on the amount and nature and scope of assignments. In addition, Sitowise's ability to invoice optimal hourly rates depends on competition and Sitowise's ability to deliver high-quality services. Further, a favorable capacity utilization structure requires that the employees' expertise and availability are utilized in an optimal way. Sitowise's ability to do this depends, in turn, on its ability to forecast the need for labor and to recruit personnel based on anticipated demand from customers, as well as its ability to secure assignments.

20.2.4 Operating Costs Driven by Personnel Costs

Due to the characteristics of Sitowise's business, personnel expenses are Sitowise's largest cost item. The primary factors that affect Sitowise's personnel costs are number of employees, the competence level and experience of the employees, compensation levels at competitive employers, general economic conditions, agreed salaries in collective bargaining agreements and the level of taxes, fees and pension. During the periods under review, the primary driver for the increase of Sitowise's personnel expenses has been the increase in number of employees as a result of both acquisitions and organic growth. In addition, collective bargaining agreements regulate annual salary increases of employees, which also has contributed to increased personnel expenses.

In order to be able to attract and retain employees with the competence and experience required, Sitowise needs to offer competitive compensation levels. Competition for qualified employees in Sitowise's industry may also in

[89] Utilisation rate includes acquired companies in Finland after merging the companies into the Group and in Sweden only BTB. Utilisation rate does not include discontinued operations.

the future affect the compensation levels. The level of compensation affects Sitowise's results of operation to the extent Sitowise is unable to adjust the pricing of its services accordingly.

Absolute personnel expenses have increased approximately in line with the amount of full-time equivalent employees[90] ("**FTE**") and the average cost per FTE have remained stable. Personnel expenses accounted for 63.7 percent of Sitowise's net sales for the financial year ended 31 December 2020, 64.1 percent in 2019 and 63.6 percent in 2018. In addition, other personnel related expenses, which primarily represent fringe benefit expenses and various costs related to training, recruiting and personnel meetings, accounted for 2.8 percent of Sitowise's net sales for the financial year ended 31 December 2020, 3.9 percent in 2019 and 3.6 percent in 2018. The total remuneration of Sitowise's employees includes base salary, bonuses (including rewards) and fringe benefits.

Other material operating expenses include costs for software and IT services as well as costs related to leased premises. Sitowise operates in leased premises, and its lease commitments mainly consist of future lease payments for office spaces. In accordance with IFRS 16, costs related to leases are reported under depreciations and financial expenses. However, Sitowise has applied practical reliefs allowed by IFRS 16 and part of the lease costs are included in other operating expenses, such as short-term lease contracts.

Sitowise's subcontracting costs relate to the purchases of expert services that Sitowise does not offer or which it does not have the capacity to offer, such as, for example, research and expert services. Sitowise's subcontracting and project and other costs amounted to 8.3 percent of Sitowise's net sales for the financial year ended 31 December 2020, 9.4 percent for the financial year ended 31 December 2019 and 10.3 percent for the financial year ended 31 December 2018.

20.2.5 Competition and Prices

Sitowise is the third largest player in the technical consulting market[91] in Finland with an 8 percent[92] market share.[93] Sitowise's pricing power is impacted by the competition that it faces on the market. In Finland, in the case of smaller assignments, Sitowise mainly competes with small and middle-sized local companies whose business has been limited geographically and in terms of capacity, and which focus on offering specialist know-how within a particular area. Sitowise believes that its size provides it with competitive advantage against small and middle-sized local companies as it enables Sitowise to compete also for larger tunrkey assignments. In larger regional and national turnkey assignments, Sitowise competes with large, diversified Nordic and international companies with significant market shares. In Sweden, Sitowise competes primarily with a large number of small and niche local technical consulting companies. To date, Sitwose has been able to withstand margin pressure through the quality of its service offering supported by its strong client references and the efficiency of its operations. Competition and, in particular, the consolidation of competitors or the emergence of new entrants in the market may impact Sitowise's ability to increase or maintain its market share or margins.

20.2.6 Revenue Recognition

Sitowise's net sales are recoqnised in accordance with the IFRS 15 standard, hence where deemed necessary the project's percentage of completion is taken into account. The percentage of completion is determined as the percentage of the working hours and costs of work performed by the time of review of the estimated total amount of work and costs of the project. If the service package involves software or software maintenance services, their licence and maintenance revenue is recognized for the contract period. The estimated sales income and total costs of the project are updated at the end of each reporting period. If the outcome of a long-term project cannot be reliably estimated, revenue from the project is recognized only to the extent that the monetary amount corresponding to actual costs is available. If it is probable that the total cost of project completion exceeds the total revenue received from the project, the expected loss is immediately expensed. If the invoicing of the project is lower than the sales revenue recognized on the basis of percentage of completion, the difference is reported as a contractual asset in the project receivables item on the balance sheet. If the invoicing of the project is higher than the sales revenue recognized on the basis of percentage of completion, the difference is reported as a contractual liability in the accounts payable and other liabilities item on the balance sheet. Sitowise applies certain practical

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[90] The Group's personnel converted into a value corresponding with the number of full-time employees, average during the period.

[91] Technical consulting market includes building and infrastructure consulting markets and excludes industrial engineering market and digital solutions market.

[92] Based on Sitowise's 2019 IFRS net sales for Finland.

[93] International management consultant analysis conducted in fall 2020 and commissioned by Sitowise.

reliefs in recognizing revenue from customer contracts. Sitowise has set euro-denominated limits for revenue recognition based on the percentage of completion, varying by business area. If the price of the project is below the limit, revenue is not recognized based on the percentage of completion, but the contract is recognized as revenue monthly based on the work performed.

20.2.7 Impact of Working Days to Quarterly Results

Sitowise's net sales and results of operations are affected by the available hours of its employees. Net sales are typically lower during summer holiday months as a result of lower available hours. As a result, net sales from the third quarter, when the summer holidays take place, account for approximately two thirds of the net sales as compared to other quarters. Further, the timing of the Easter holiday may cause seasonal variation between the years.

20.2.8 Volatility of Exchange Rates

In addition to Finland, Sitowise carries out significant business operations in Sweden. The Group's accounting and reporting currency is the euro. As a result, Sitowise is exposed to transaction exchange risk, in particular in respect of the Swedish krona through the business operations of the Swedish subsidiaries. On the other hand, both Sitowise's net sales generated and personnel costs incurred in Sweden are denominated in the Swedish krona, which provides a natural hedge against fluctuations in the euro-Swedish krona exchange rate. As a result, Sitowise does not actively hedge against this exchange rate risk.

Sitowise has also foreign currency-denominated internal loans, which result in translation risk. The most significant internal loans are denominated in the Swedish krona. Sitowise is also exposed to a translation risk related to the Swedish krona, when the financial statement information of the Company's subsidiaries outside the euro zone is translated into euros in connection with the preparation of consolidated financial statements. Translation risk is not hedged.

20.2.9 Goodwill

Sitowise have executed a number of business acquisitions during the periods under review. As a result, Sitowise's intangible assets consist primarily of goodwill. Goodwill comprises mainly the original acquisitions of Sito and Wise and add-on acquisitions, of which the biggest acquisitions are the acquisitions of BTB and TFIP. As at 31 December 2020 Sitowise's goodwill amounted to EUR 118.1 million and represented 55.3 percent of Sitowise's total assets.

Sitowise tests goodwill annually or when there is an indication of impairment. If any evidence of impairment is found, the recoverable amount of the said asset is estimated. The recoverable amount is determined on the basis of value in use. An impairment loss is recognized when the book value of the asset exceeds the recoverable amount. The impairment loss is immediately recognized through profit and loss, and the economic useful life of the amortized asset is reassessed when recognizing the impairment loss. The need for recognizing impairment losses is reviewed at the level of cash-generating units, namely the Group. If an asset is impaired, an impairment loss is immediately recognized in the income statement, which would negatively impact Sitowise's profit for the period. Impairment tests on 31 December 2020, 2019 and 2018 did not indicate a need for impairment of goodwill, with the recoverable amount exceeding the book value in all test periods.

20.2.10 Acquisitions

Business acquisitions have influenced significantly the development of Sitowise's net sales and expansion of its service offering and geographical reach during the periods under review. Sitowise has executed 23 acquisitions since 1 January 2018. As a part of its strategy, Sitowise monitors opportunities arising in the market and carries out business acquisitions when the target companies match Sitowise's operating model and strategy. The aims of the business acquisitions are growth, obtaining complementary service offering and capabilities and wider geographical reach.

Sitowise completed 8 acquisitions in 2018 and 9 acquisitions in 2019. The financial information for the full year of these acquired companies have been reflected in the consolidated financial statements of Sitowise from 2019 or 2020, respectively.

In 2020 Sitowise has completed three acquisitions: Ficonic Solutions Oy, TFIP and Paloässät Oy. In addition, in 2021 Sitowise has completed four acquisitions: VVS, Sweetlakes Oy, Benviroc Oy and MSDI Oy. The following table sets forth certain key figures of these companies acquired by Sitowise during the last financial year prior to acquisition as well as the date when the acquired company has been included in the Group's income statement.

	Acquisitions since 1 Janauary 2020						
Financial period	**1 October 2019 – 30 September 2020**	**1 January 2019 – 31 December 2019**	**1 January 2020 – 31 December 2020**	**1 May 2019– 30 April 2020**	**1 January 2020 – 31 December 2020**	**1 January 2020 – 31 December 2020**	**1 January 2020 – 31 December 2020**
Name of the company	**Ficonic Solutions Oy**	**TFIP**[3]	**Paloässät Oy**	**VVS Kompetens AB**[3]	**Sweetlakes Oy**	**Benviroc Oy**	**MSDI Oy**
Included in the income statement since	1 July 2020	1 December 2020	1 January 2021	1 February 2021	1 March 2021	1 March 2021	1 March 2021
Net sales (EUR thousand)	1,637[1]	6,565[1]	2,930[1]	3,598[1]	773[1]	537[1]	126[1]
Operating profit (EUR thousand)	265[1]	1,338[1]	687[1]	919[1]	146[1]	395[1]	(13)[1]
EBITDA (EUR thousand)	368[2]	1,338[2]	687[2]	927[2]	147	395	(13)

[1] Figures are based on the audited financial statements of the acquired company.
[2] Unaudited. Calculated as operaring profit + depreciation + amortization.
[3] Figures converted from SEK to EUR using 2020 average EUR/SEK exchange rate (EUR = SEK 10.4848).

20.3 Items Affecting Comparability between Periods

20.3.1 Acquisitions

During the financial years ended 31 December 2018, 2019 and 2020 Sitowise has completed a number of acquisitions (see more in section "*Business of the Company – Mergers and Acquisitions*") of varying sizes, which impact the comparability of Sitowise's financial results between the periods under review. Since Sitowise has included the results of operations of each acquired business in its consolidated financial statements generally from the completion date of each acquisition, the respective periods are not directly comparable to one another. Sitowise's results for the financial year during which the acquisition has taken place are affected by the inclusion of the results of the acquired entity into Sitowise's consolidated results. Further, Sitowise may experience an increase in operating expenses as it integrates the acquired business into its group. The impact of an acquisition is reflected partly in Sitowise's results for the financial year during which the acquisition has taken place, depending on the timing of the acquisition, and in full for the financial year following the acquisition.

20.3.2 Divestments and Discontinued Operations

Sitowise took part in a dredging contracting project in Klaipeda, Lithuania in 2017–2019. The project in Klaipeda is recorded as a "discontinued operation" pursuant to IFRS 5. In 2018, Sitowise made a strategic decision not to engage in further dredging projects, which were not considered to be part of Sitowise's core business. As a result, Sitowise terminated the project in Klaipeda in 2019.

Sitowise divested its subsidiary Sitowise AS at the end of 2019. Sitowise AS is reported under discontinued operations in the profit and loss account, and the figures for the comparison period have not been adjusted. Sitowise AS is "held for sale" pursuant to IFRS 5.

In September 2020, Sitowise sold its telecom business to Rejlers. Telecom business is reported as discontinued operations during 2020.

Result from discontinued operations amounted to EUR -6.4 million for the financial year ended 31 December 2018, EUR -1.0 million for the financial year ended 31 December 2019 and EUR 0.1 million for the financial year ended 31 December 2020. The majority of the loss reported under discontinued operations for the financial years 2018 and 2019 arose from the above-mentioned project in Klaipeda.

20.3.3 Items Affecting Comparability

The presented financial periods include items impacting the comparability between periods. These items relate to e.g. acquisitions and costs related to acquisitions, integration costs, restructuring costs, costs relating to the Company's IPO process and intangible one-off depreciations that mainly relate to renovations of office premises.

The following table sets forth items impacting the comparability during the periods under review.

	As at and for the financial year ended 31 December		
	2020	**2019**	**2018**
(EUR thousand)	**(unaudited, unless otherwise indicated)**		
Items affecting comparability, costs			
Restructuring costs	253	796	47
Integration costs	670	639	813
Acquisitions and costs related to acquisitions	(343)	776	(508)
IPO expenses	408	317	0
Others	111	65	167
Items affecting comparability, costs	**1,098**	**2,593**	**519**
Items affecting comparability, depreciation	0	571	129

20.4 Recent Developments

Other than described below, there have not been any significant changes in Sitowise's financial performance or position between 31 December 2020 and the date of this Offering Circular.

Sitowise has made four acquisitions during 2021 (for more information, see "*Business of the Company – Mergers and Acquisitions*" and "*– Key Factors Affecting the Business and Results of Operations – Acquisitions*").

In January 2021, the Company paid EUR 579,733.05 as capital repayments for P1 and P2 shares. In March 2021, the Company distributed a total of EUR 297,600.57 as dividends on the class P1 and P2 shares.

As a result of the acquisitions, since 31 December 2020 the Company has issued 16,779 class A2 shares and 503,415 class P1 shares in total to the key persons of the acquired companies.

20.5 Prospects

The visibility of future market development remains low, due to lack of reliable forecasts regarding the duration of the coronavirus pandemic. However, Sitowise has successfully adapted to the changed circumstances and operating environment.

Despite the current uncertainty, the Company sees stable long-term demand for designing sustainable societies. The demand is driven by megatrends such as urbanization, renovation backlog, sustainability and digitalization.

20.6 Results of Operations

Sitowise has prepared the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as at and for the financial years ended 31 December 2020 and 2019. Sitowise's audited consolidated financial statements as at and for the financial year ended 31 December 2019, prepared in accordance with IFRS, include the unaudited comparative financial information as at and for the financial year ended 31 December 2018, as well as the unaudited opening IFRS balance sheet as per date of transition 1 January 2018. Sitowise's audited consolidated financial statements as at and for the financial year ended 31 December 2018 have been prepared in accordance with the Finnish accounting standards (FAS).

The review below for the financial years ended 31 December 2020 and 31 December 2019 is based on Sitowise's audited consolidated financial statements as at and for the financial years ended 31 December 2020 and 31 December 2019, prepared in accordance with IFRS, including the unaudited comparative financial information as at and for the financial year ended 31 December 2018. Impacts of the adoption of the IFRS are discussed in the section "*– Recent Changes in Accounting Policies*" below, as well as note "Adoption of the IFRS" to Sitowise's audited consolidated financial statements as at and for the financial year ended 31 December 2019 incorporated by reference into this Offering Circular.

The figures presented under this section concerning the financial year ended 31 December 2018 are unaudited and are based on the comparative figures presented in the audited consolidated financial statements as at and for the financial year ended 31 December 2019, prepared in accordance with IFRS.

20.6.1 Net Sales

The table below sets forth Sitowise's net sales by business area and its change for the financial years ended 31 December 2020, 2019 and 2018:

	For the financial year ended 31 December			Change (EUR thousand)		Change (%)	
	2020	**2019**	**2018**	**20/19**	**19/18**	**20/19**	**19/18**
(EUR thousand)	**(audited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**		**(unaudited)**	
Buildings	70,789	67,227	63,735	3,562	3,492	5.3	5.5
Infrastructure	54,164	50,628	45,129	3,536	5,499	7.0	12.2
Digital Solutions	14,088	12,257	11,299	1,831	958	14.9	8.5
Sweden	21,087	9,839	158	11,248	9,681	114.3	6,127.2
Others[1]	(46)	3,065	5,373	(3,111)	(2,308)	(101.5)	(43.0)
Total	**160,082**	**143,016[2]**	**125,693**	**17,066**	**17,323**	**11.9**	**13.8**

[1] "Others" consists of discontinued operations and group eliminatons.
[2] Audited.

20.6.1.1 Group

The increase in net sales for the financial year ended 31 December 2020 as compared to the financial year ended 31 December 2019 was mainly due to acquisitions completed during 2019 and 2020. The Group's organic growth during the same period was 3.0 percent, supported by increased volumes in billable hours.

The increase in net sales for the financial year ended 31 December 2019 as compared to the financial year ended 31 December 2018 was mainly due to volume growth as a result of business acquisitions completed during 2018 and 2019. The Group's organic growth during the same period was 1.8 percent, supported by increased volumes in customer working hours.

20.6.1.2 Buildings

The increase in net sales for the financial year ended 31 December 2020 as compared to the financial year ended 31 December 2019 was mainly due to acquisitions completed during 2019 and 2020, and in addition the growth was supported by increased volumes in billable hours. The coronavirus pandemic weakened the market conditions in the Buildings business area during the second half of the year.

The increase in net sales for the financial year ended 31 December 2019 as compared to the financial year ended 31 December 2018 was mainly due to acquisitions completed in Finland during 2019 and 2018, supported by organic growth.

20.6.1.3 Infrastructure

The increase in net sales for the financial year ended 31 December 2020 as compared to the financial year ended 31 December 2019 was mainly due to organic growth primarily driven by market demand and good project load. In addition, in 2020 Sitowise was able to successfully recruit personnel in its Infrastructure business area to carry out the increased workload. The coronavirus pandemic did not have a significant impact on net sales in the Infrastructure business area during the year.

The increase in net sales for the financial year ended 31 December 2019 as compared to the financial year ended 31 December 2018 was due to volume growth as a result of business acquisitions as well as organic growth. The organic growth was supported also by the general positive development of the infrastructure market in Finland.

20.6.1.4 Digital Solutions

The increase in net sales for the financial year ended 31 December 2020 as compared to the financial year ended 31 December 2019 was mainly due to volume growth driven by active sales resulting in increased project load, enabling successful recruitments, as well as the acquisition of Ficonic Solutions in July 2020.

The increase in net sales for the financial year ended 31 December 2019 as compared to the financial year ended 31 December 2018 was mainly due to increased amount of billable hours as a result of organic growth. The organic growth was supported by competitive offering, growth of the market and increased size of the Digital Solutions business, which enabled conducting larger projects.

20.6.1.5 Sweden

The increase in net sales for the financial year ended 31 December 2020 as compared to the financial year ended 31 December 2019 was mainly due to acquisitions completed during 2019 and 2020 as well as opening of new offices during 2020. The increase in net sales included also organic growth. However, the coronavirus pandemic weakened the market conditions in Sweden during 2020 as many of the projects were postponed.

The increase in net sales for the financial year ended 31 December 2019 as compared to the financial year ended 31 December 2018 was mainly due to the acquisition of BTB in May 2019, even though focusing on the integration partly weakened BTB's business operations in the same year.

20.6.2 Operating Profit and Operating Profit Margin

The table below sets forth Sitowise's consolidated income statement items from net sales to operating profit as well as operating profit margin, EBITA, adjusted EBITA and adjusted EBITA margin and their change for the financial years ended 31 December 2020, 2019 and 2018:

	For the financial year ended 31 December			**Change (EUR thousand)**		**Change (%)**	
(EUR thousand)	**2020 (audited)**	**2019 (audited)**	**2018 (unaudited)**	**20/19 (unaudited)**	**19/18**	**20/19 (unaudited)**	**19/18**
Net sales	160,082	143,016	125,693	17,066	17,323	11.9	13.8
Other operating income	1,365	815	1,020	550	(205)	67.5	(20.1)
Materials and services	(13,220)	(13,398)	(12,921)	178	(477)	(1.3)	3.7
Personnel expenses	(101,935)	(91,692)	(79,896)	(10,243)	(11,796)	11.2	14.8
Other operating expenses	(20,012)	(19,422)	(14,834)	(590)	(4,588)	3.0	30.9
Share of profit from associated companies	0	0	393	0	(393)	-	(100.0)
Depreciation, amortization and impairment	(8,008)	(8,674)	(6,184)	666	(2,490)	(7.7)	40.3
Operating profit	**18,272**	**10,644**	**13,271**	**7,628**	**(2,627)**	**71.7**	**(19.8)**
% of net sales	**11.4%[1]**	**7.4%[1]**	**10.6%**				
EBITA	19,535[1]	12,317[1]	13,813	7,218	(1,496)	58.6	(10.8)
Items affecting comparability	1,098[1]	3,165[1]	648	(2,066)	2,517	(65.3)	388.4
Adjusted EBITA	**20,633[1]**	**15,481[1]**	**14,461**	**5,152**	**1,020**	**33.3**	**7.1**
% of net sales	**12.9%[1]**	**10.8%[1]**	**11.5%**				

[1] Unaudited

20.6.2.1 Materials and Services

The materials and services for the financial year ended 31 December 2020 as compared to the financial year ended 31 December 2019 remained broadly stable. Project costs decreased as a result of project mix and increased remote working. On the other hand, outsourcing costs increased as a result of business growth and the project mix, even though their relative share of net sales decreased.

The increase in materials and services for the financial year ended 31 December 2019 as compared to the financial year ended 31 December 2018 was mainly due to increase in costs related to projects and other costs, such as travel and meeting costs. The increase in costs was partially offset by the decreased amount of outsourcing.

Materials and services accounted for 8.2 percent of net sales in 2020, 9.4 percent in 2019 and 10.2 percent in 2018.

20.6.2.2 Personnel Expenses

The increase in personnel expenses for the financial year ended 31 December 2020 as compared to the financial year ended 31 December 2019 was mainly due to increase in number of employees of Sitowise. Sitowise's FTE count was 1,555 persons in 2020 and 1,442 persons in 2019. A temporary 2.6 percentage point pension cost discount was applied in Finland from May to December 2020 due to the coronavirus pandemic. This measure decreased social costs during the period by approximately EUR 1.2 million, partially offsetting the increase in wages and salaries. Moreover, the temporary lay-offs commenced during the second half of 2020 reduced personnel expenses.

The increase in personnel expenses for the financial year ended 31 December 2019 as compared to the financial year ended 31 December 2018 was mainly due to increase in number of employees of Sitowise. Sitowise's FTE count was 1,442 persons in 2019 and 1,233 persons in 2018. Sitowise completed several business acquisitions in 2019, including the acquisitions in Sweden, which increased Sitowise's headcount in total by 155 new employees.

Absolute personnel expenses have increased approximately in line with the FTE count, and the average cost per FTE have remained stable. Personnel expenses increased slightly faster than net sales during 2018 and 2019, and the percentage of personnel expenses compared to net sales increased.

Personnel expenses accounted for 63.7 percent of net sales in 2020, 64.1 percent in 2019 and 63.6 percent in 2018.

20.6.2.3 Other Operating Expenses

The increase in other operating expenses for the financial year ended 31 December 2020 as compared to the financial year ended 31 December 2019 was mainly due to business acquisitions made during 2019 and 2020. Other operating expenses decreased partly due to the coronavirus pandemic, which increased remote work leading to decreased other personnel related expenses, such as expenses relating to training, meetings and recruiting.

The increase in other operating expenses for the financial year ended 31 December 2019 as compared to the financial year ended 31 December 2018 was mainly due to an increase in other costs, such as legal and consulting fees and communication expenses, ICT costs, other personnel-related costs, rent and other premises expenses mainly due to the acquisitions made during 2019 and higher business activity.

Other operating expenses accounted for 12.6 percent of net sales in 2020, 13.6 percent in 2019 and 11.8 percent in 2018.

20.6.2.4 Depreciation, amortization and impairment

The decrease in depreciation, amortization and impairment for the financial year ended 31 December 2020 as compared to the financial year ended 31 December 2019 was mainly due to one-off depreciations and amortizations recorded in 2019.

The increase in depreciation, amortization and impairment for the financial year ended 31 December 2019 as compared to the financial year ended 31 December 2018 was mainly due to the increased amount of depreciation relating to rental agreements. In addition, Sitowise recognized impairment relating to its Norwegian subsidiary Sitowise AS, which was divested later in 2019, and an additional one-off depreciation (leasehold improvements and furniture) related to previous office spaces.

20.6.2.5 Operating Profit

The increase in operating profit for the financial year ended 31 December 2020 as compared to the financial year ended 31 December 2019 was mainly due to positive sales development and more favourable cost structure. The costs for the materials and services as well as other operating expenses decreased compared to net sales, because the increased remote working due to the coronavirus pandemic reduced project costs related to materials and services as well as personnel costs included in other operating expenses.

The decrease in operating profit for the financial year ended 31 December 2019 as compared to the financial year ended 31 December 2018 was mainly due to increase in personnel expenses due to higher FTE count, other operating expenses driven by e.g. higher ICT, rental, consulting and other personnel expenses and depreciation and amortization.

20.6.2.6 EBITA and adjusted EBITA

Adjusted EBITA includes adjustment items that affect the comparability between periods. Adjustment items include costs relating to acquisitions, integrations, and restructuring, depreciation and amortization, and the Company's IPO process, as well as other costs of non-recurring nature. See also "*– Items Affecting Comparability between Periods – Items Affecting Comparability*" above.

The increase in adjusted EBITA for the financial year ended 31 December 2020 as compared to the financial year ended 31 December 2019 was mainly due to continued growth of net sales whereas the amount of costs relative to net sales decreased.

The adjusted EBITA increased for the financial year ended 31 December 2019 as compared to the financial year ended 31 December 2018, but its share of the net sales decreased. This was mainly due to the increase in net sales and that comparable costs increased slightly more than net sales.

20.6.3 Profit for the Period

The table below sets forth Sitowise's financial income and expenses, profit before taxes, result from continuing operations as well as profit for the period, and their change for the financial years ended 31 December 2020, 2019 and 2018:

	For the financial year ended 31 December			**Change (EUR thousand)**		**Change (%)**	
(EUR thousand)	**2020 (audited)**	**2019 (audited)**	**2018 (unaudited)**	**20/19 (unaudited)**	**19/18**	**20/19 (unaudited)**	**19/18**
Financial income	1,163	477	48	686	429	143.9	893.8
Financial expenses	(3,539)	(2,745)	(2,193)	(794)	(552)	28.9	25.2
Profit before taxes	**15,896**	**8,376**	**11,126**	**7,521**	**(2,750)**	**89.8**	**(24.7)**
Income taxes	(3,215)	(506)	(1,613)	(2,710)	1,107	535.6	(68.6)
Result from continuing operations	**12,681**	**7,870**	**9,513**	**4,811**	**(1,643)**	**61.1**	**(17.3)**
Result from discontinued operations	118	(1,012)	(6,480)	1,129	5,468	(111.6)	(84.4)
Profit for the period	**12,798**	**6,858**	**3,033**	**5,940**	**3,825**	**86.6**	**126.1**

20.6.3.1 Financial Income and Expenses

The increase in financial income for the financial year ended 31 December 2020 as compared to the financial year ended 31 December 2019 was mainly due to unrealized currency gains from the revaluation of SEK denominated internal loans.

The increase in financial income for the financial year ended 31 December 2019 as compared to the financial year ended 31 December 2018 was mainly due to unrealized currency gains from the revaluation of SEK denominated internal loans.

The increase in financial expenses for the financial year ended 31 December 2020 as compared to the financial year ended 31 December 2019 was mainly due to increased financial expenses related to the premises (IFRS 16) and increased interest expenses due to the increased financial liabilities.

The increase in financial expenses for the financial year ended 31 December 2019 as compared to the financial year ended 31 December 2018 was mainly due to the increased amount of interest expenses as a result of increased amount of financial liabilities due to acquisitions.

20.6.3.2 Income Taxes

The increase in income taxes for the financial year ended 31 December 2020 as compared to the financial year ended 31 December 2019 was mainly due to change in deferred income taxes and increased operating result.

The decrease in income taxes for the financial year ended 31 December 2019 as compared to the financial year ended 31 December 2018 was mainly due to an increase in deferred tax assets as a result of accrued losses of Sito Rakennuttajat Oy.

20.6.3.3 Result from Continuing Operations

The increase in the result from continuing operations for the financial year ended 31 December 2020 as compared to the financial year ended 31 December 2019 was mainly due to positive net sales development, lower increase in materials and services and other operating expenses and decrease in depreciations and amortizations.

The decrease in the result from continuing operations for the financial year ended 31 December 2019 as compared to the financial year ended 31 December 2018 was mainly due to increase in personnel expenses due to higher FTE count, other operating expenses driven by e.g. higher ICT, lease, other personnel expenses, and depreciation and amortization.

20.6.3.4 Result from Discontinued Operations

The increase in the result from discontinued operations for the financial year ended 31 December 2020 as compared to the financial year ended 31 December 2019 was mainly due to the divestment of the telecom business, resulting in gains reported under the discontinued operations, and on the other hand due to the divestment of Sitowise AS and termination of project in Klaipeda in 2019, as a result of which smaller losses were reported under discontinued operations.

The increase in the result from discontinued operations for the financial year ended 31 December 2019 as compared to the financial year ended 31 December 2018 was mainly due to lower losses reported under discontinued operations. The majority of the losses reported under discontinued operations for the financial years 2018 and 2019 arose from the project in Klaipeda which was terminated in 2019.

20.6.3.5 Result for the Period

The increase in the result for the financial year ended 31 December 2020 as compared to the financial year ended 31 December 2019 was mainly due to positive net sales development, lower increase in materials and services and other operating expenses and decrease in depreciations and amortizations as well as increased result from discontinued operations.

The result for the financial year ended 31 December 2019 as compared to the financial year ended 31 December 2018 increased. The result from continuing operations decreased, but it was compensated by smaller losses reported under discontinued operations than in the previous year.

20.7 Balance Sheet Information

20.7.1 Assets

The following table sets forth Sitowise's non-current and current assets and their change as at 31 December 2020, 2019 and 2018:

	As at 31 December			Change (EUR thousand)		Change (%)	
(EUR thousand)	2020 (audited)	2019 (audited)	2018 (unaudited)	20/19 (unaudited)	19/18	20/19 (unaudited)	19/18
Non-current assets							
Goodwill	118,081	101,733	79,139	16,348	22,594	16.1	28.5
Other intangible assets	5,681	3,961	1,879	1,720	2,082	43.4	110.8
Tangible assets	34,174	27,561	17,566	6,613	9,995	24.0	56.9
Participating interests	0	0	0	0	0	0	0
Other shares, similar rights of ownership and receivables	1,682	1,252	823	430	429	34.3	52.1
Deferred tax assets	304	1,401	181	(1,097)	1,220	(78.3)	674.0
Other receivables	0	0	0	0	0	0	0
Total non-current assets	**159,922**	**135,908**	**99,589**	**24,014**	**36,319**	**17.7**	**36.5**
Current assets							
Trade and other receivables	45,404	41,268[1]	34,127	4,136	-	10.0	-
Deferred tax assets	740	911[1]	-[2]	(171)	-	(18.8)	-
Cash and cash equivalents	15,463	10,346	9,280	5,117	1,066	49.5	11.5
Total current assets	**61,607**	**52,524**	**43,407**	**9,082**	**9,117**	**17.3**	**21.0**

[1] Adjusted, unaudited. Adjusted in the financial statements 2020 for the financial year 2019.
[2] In the financial statements for the financial year ended 31 December 2019, deferred tax assets have been included in the item trade and other receivables.

Sitowise's non-current assets mainly consist of goodwill and tangible assets. Goodwill comprises mainly the original acquisitions of Sito and Wise, and add-on acquisitions, of which the biggest acquisitions are the acquisitions of BTB and TFIP. Tangible assets are primarily comprised of lease liabilities, office furniture, IT hardware and other tools.

The increase in non-current assets as at 31 December 2020 as compared to 31 December 2019 was mainly due to acquisitions, which increased goodwill and lease liabilities.

The increase in non-current assets as at 31 December 2019 as compared to 31 December 2018 was mainly due to business acquisitions.

Sitowise's current assets mainly consist of trade and other receivables.

The increase in current assets as at 31 December 2020 as compared to 31 December 2019 was mainly due to increased net sales and positive development of cash flow.

The increase in current assets as at 31 December 2019 as compared to 31 December 2018 was mainly due to growth in business.

20.7.2 Equity

The following table sets forth Sitowise's equity and its change as at 31 December 2020, 2019 and 2018:

	As at 31 December			Change (EUR thousand)		Change (%)	
(EUR thousand)	**2020 (audited)**	**2019 (audited)**	**2018 (unaudited)**	**20/19 (unaudited)**	**19/18**	**20/19 (unaudited)**	**19/18**
Shareholders' equity							
Share capital	3	3	3	0	0	0	0
Fund for invested unrestricted equity	40,663	40,471	32,610	192	7,861	0.5	24.1
Fair value reserve	230	0	0	230	0		0
Subordinated loans	14,145	14,145	14,145	0	0	0	0
Translation differences	360	117	(6)	243	123	206.8	(2050.0)
Retained earnings	11,370	2,343	(1,118)	9,027	3,461	385.3	309.6
Total equity attributable to owners of the parent	**66,770**	**57,078**	**45,634**	**9,691**	**11,444**	**17.0**	**25.1**
Non-controlling interest	110	291	164	(181)	127	(62.2)	77.4
Total	**66,880**	**57,369**	**45,798**	**9,510**	**11,571**	**16.6**	**25.3**

The increase in Sitowise's equity as at 31 December 2020 as compared to 31 December 2019 was mainly due to the positive result from the period.

The increase in Sitowise's equity as at 31 December 2019 as compared to 31 December 2018 was mainly due to share issues. Directed share issues were organized during the financial period in conjunction with mergers and acquisition and with inviting Sitowise's key personnel to become shareholders in the Company.

20.7.2.1 Shareholder Loans

As at the date of this Offering Circular, the estimated total amount of the shareholder loans and related accrued interest to be repaid is EUR 14.3 million (including the accrued and unpaid interest of EUR 0.2 million). The shareholder loans carry fixed interest rate. The shareholder loans are capital loans without maturity. Sitowise expects to use net proceeds from the Share Issue for the repayment of the principal and accrued interests of the shareholder loans at the completion of the Listing.

20.7.3 Liabilities

The following table sets forth Sitowise's liabilities and their change as at 31 December 2020, 2019 and 2018:

	As at 31 December			Change (EUR thousand)		Change (%)	
(EUR thousand)	**2020 (audited)**	**2019 (audited)**	**2018 (unaudited)**	**20/19 (unaudited)**	**19/18**	**20/19 (unaudited)**	**19/18**
Non-current liabilities							
Deferred tax liabilities	1,985	1,257	172	727	1,085	57.9	630.8
Financial liabilities	92,554	77,179	50,906	15,376	26,273	19.9	51.6
Other liabilities	12	2	40	10	(38)	500.0	(95.0)
Total non-current liabilities	**94,551**	**78,437**	**51,118**	**16,113**	**27,319**	**20.5**	**53.4**
Current liabilities							
Income tax liabilities	1,608	842	1,009	766	(167)	91.0	(16.6)
Financial liabilities	9,379	7,979	12,614	1,401	(4,635)	17.6	(36.7)
Provisions	1,793	1,634	974	159	660	9.7	67.8
Accounts payable and other liabilities	47,317	42,171	31,481	5,146	10,690	12.2	34.0
Total current assets	**60,098**	**52,626**	**46,079**	**7,472**	**6,548**	**14.2**	**14.2**

20.7.3.1 Non-Current Liabilities

Sitowise's non-current liabilities include mainly financial liabilities consisting of loans from financial institutions and IFRS 16 lease liabilities.

The increase in Sitowise's non-current liabilities as at 31 December 2020 as compared to 31 December 2019 was mainly due to increase in loans from financial institutions as well as increase in IFRS 16 lease liabilities.

The increase in Sitowise's non-current liabilities as at 31 December 2019 as compared to 31 December 2018 was driven by increase in loans from financial institutions as well as increase in IFRS 16 lease liabilities.

20.7.3.2 Current Liabilities

Current liabilities consist mainly of accounts payable and other liabilities, which includes accounts payable, liabilities based on customer contracts, accrued expenses and other liabilities. The most essential items in accrued expenses include accrual of personnel expenses and ordinary business-related accrued costs. Other liabilities include VAT and withholding tax liabilities as well as the purchase price liabilities associated with mergers and acquisitions. As at 31 December 2020, the amount of estimated additional purchase price liabilities was EUR 1,147 thousand. Liabilities based on customer contracts include both the difference between net sales based on the percentage of completion and invoicing, and ordinary provisions for costs relating to customer projects.

The increase in Sitowise's current liabilities as at 31 December 2020 as compared to 31 December 2019 was mainly due to increase in accrued expenses and other liabilities as a result of increased volume of business operations.

The increase in Sitowise's current liabilities as at 31 December 2019 as compared to 31 December 2018 was mainly due to an increase in other liabilities as a result of business growth.

20.7.4 Off-balance Sheet Liabilities

The following table sets forth the off-balance sheet liabilities of Sitowise as at 31 December 2020, 2019 and 2018:

	As at 31 December			Change (EUR thousand)		Change (%)	
(EUR thousand)	**2020 (audited)**	**2019 (audited)**	**2018 (unaudited)**	**20/19 (unaudited)**	**19/18**	**20/19 (unaudited)**	**19/18**
Collaterals given							
Mortgage	125,000	284,000	284,000	(159,000)	0	(56.0)	0
Share pledges, book value	203,394	179,658	126,125	23,736	53,533	13.2	42.4
Bank guarantees	2,729	1,953	2,031	776	(78)	39.7	(3.8)
Collaterals given in total	**331,123**	**465,610**	**412,156**	**(134,487)**	**53,454**	**(28.9)**	**13.0**
Bank guarantees							
Guarantees based on agreement	150	150	150	0	0	0	0
Other guarantees	2,579	1,803	1,881	776	(78)	43.0	(4.1)
Bank guarantees in total	**2,729**	**1,953**	**2,031**	**776**	**(78)**	**39.7**	**(3.8)**
Received collaterals							
Received bank guarantees; Escrow agreement	0	200	200	(200)	0	(100.0)	0

20.8 Liquidity and Capital Resources

20.8.1 Overview

Sitowise's liquidity is historically based on the cash flows from operations and debt financing. Sitowise's liquidity needs primarily relate to regular operating expenses, management of working capital and financial expenses.

As at 31 December 2020, Sitowise's cash and cash equivalents amounted to EUR 15.5 million and loans from financial institutions amounted to EUR 72.0 million. In addition to the interest-bearing bank loans, the financial liabilities include lease liabilities, accounts payable and additional purchase price liabilities, and the financial liabilities amounted to EUR 108.1 million in total as at 31 December 2020.

As at the date of this Offering Circular, Sitowise's financing arrangements consist of variable rate senior term and revolving facilities, which amounted to EUR 72.0 million on the balance sheet as at 31 December 2020, and shareholder loans. Sitowise has negotiated a new facilities agreement which has been described in section "– *Net Debt – Refinancing*" below. Should the Listing be completed, Sitowise expects to repay its senior term and revolving facilities and the loan under the new facilities agreement would be withdrawn (for further information, see "– *Net Debt – Refinancing*" below). The intention of Sitowise is also to repay the shareholder loans and to redeem its outstanding preferred shares with the funds received from the Share Issue at the completion of the Listing.

20.8.2 Cash Flows

The following table sets forth a summary of Sitowise's cash flow data for the financial years ended 31 December 2020, 2019 and 2018:

	For the financial year ended 31 December			**Change (EUR thousand)**		**Change (%)**	
(EUR thousand)	**2020 (audited)**	**2019 (audited)**	**2018 (unaudited)**	**20/19 (unaudited)**	**19/18**	**20/19 (unaudited)**	**19/18**
Cash flow from operating activities	24,128	14,444	10,505	9,684	3,939	67.0	37.5
Cash flow from investing activities	(24,135)	(25,087)	(11,969)	952	(13,118)	(3.8)	109.6
Cash flow from financing	4,987	11,683	9,063	(6,695)	2,620	(57.3)	28.9
Change in cash and cash equivalents	**4,980**	**1,040**	**7,599**	**3,941**	**(6,559)**	**378.9**	**(86.3)**
Impact of changes in foreign exchange rates	137	26	0	111	26	426.9	-
Cash and cash equivalents at the start of the period	10,346	9,280	1,681	1,066	7,599	11.5	452.1
Cash and cash equivalents at the end of the period	**15,463**	**10,346**	**9,280**	**5,117**	**1,066**	**49.5**	**11.5**

20.8.2.1 Cash Flow from Operating Activities

The increase in cash flow from operating activities for the financial year ended 31 December 2020 as compared to the financial year ended 31 December 2019 was mainly due to increased profit for the period and change in net working capital.

The increase in cash flow from operating activities for the financial year ended 31 December 2019 as compared to the financial year ended 31 December 2018 was mainly due to increased profit for the period and change in net working capital.

20.8.2.2 Cash Flow from Investing Activities

The decrease in cash flow from investing activities for the financial year ended 31 December 2020 as compared to the financial year ended 31 December 2019 was mainly due to gains resulting from the divestment of the telecom business, which lead to a positive cash flow from acquired and divested business operations.

The increase in cash outflow from investing activities for the financial year ended 31 December 2019 as compared to the financial year ended 31 December 2018 was mainly due to several business acquisitions.

20.8.2.3 Cash Flow from Financing Activities

The decrease in cash flow from financing activities for the financial year ended 31 December 2020 as compared to the financial year ended 31 December 2019 was mainly due to lower amount of share issues and higher amount of dividends.

The increase in cash flow from financing activities for the financial year ended 31 December 2019 as compared to the financial year ended 31 December 2018 was mainly due to equity reinvestments in connection with business acquisitions and issuance of shares to key employees.

20.8.3 Investments

The following table sets forth Sitowise's investments based on the cash flow statement for the financial years ended 31 December 2020, 2019 and 2018:

	For the financial year ended 31 December			**Change (EUR thousand)**		**Change (%)**	
(EUR thousand)	**2020 (audited)**	**2019 (audited)**	**2018 (unaudited)**	**20/19 (unaudited)**	**19/18**	**20/19 (unaudited)**	**19/18**
Investments in tangible and intangible assets	(3,133)	(2,601)	(1,786)	(532)	(815)	20.4	45.6
Acquired and divested business operations	739	(900)	(1,537)	1,639	637	(182.2)	(41.4)
Acquisitions of subsidiaries, net of cash acquired	(21,717)	(21,659)	(8,615)	(58)	(13,044)	0.3	151.4
Purchase and sale of other shares	(24)	73	(32)	(97)	105	(133.1)	(328.1)
Total investments	**(24,135)**	**(25,087)**	**(11,969)**	**952**	**(13,118)**	**(3.8)**	**109.6**

The decrease in investments for the financial year ended 31 December 2020 as compared to the financial year ended 31 December 2019 was mainly due to gains resulting from the divestment of a business.

The increase in investments for the financial year ended 31 December 2019 as compared to the financial year ended 31 December 2018 was mainly due to the acquisition of BTB.

Sitowise's investments for the financial years ended 31 December 2020, 2019 and 2018 related mainly to business acquisitions. Sitowise's organic investments during the same years related to office improvement costs, furniture and software.

In 2020, Sitowise initiated an ERP update, which is planned to be finalized in 2021. The estimated total sum of the investment is approximately EUR 1 million, half of which will take place in 2021. The investment is financed from existing funds.

20.8.4 Net Debt

The following table sets forth Sitowise's non-current and current loans and net debt position and their changes as at 31 December 2020, 2019 and 2018:

	As at 31 December			Change (EUR thousand)		Change (%)	
(EUR thousand)	**2020 (audited)**	**2019 (audited)**	**2018 (unaudited)**	**20/19**	**19/18**	**20/19**	**19/18**
				(unaudited)		**(unaudited)**	
Non-current loans from financial institutions	68,728	57,625	40,642	11,103	16,983	19.3	41.8
Current loans from financial institutions	3,318	3,383	8,018	(65)	(4,635)	(1.9)	(57.8)
Total loans from financial institutions	**72,047**	**61,008**	**48,660**	**11,039**	**12,348**	**18.1**	**25.4**
Less: Cash and cash equivalents	15,463	10,346	9,280	5,117	1,066	49.5	11.5
Net debt (excluding lease liabilities)	**56,583[1]**	**50,662[1]**	**39,381**	**5,921**	**11,281**	**11.7**	**28.6**

[1] Unaudited.

20.8.4.1 Net Debt

Sitowise's reported net debt increased during the both years driven by multiple add-on acquisitions.

The Company has shareholder loans from Intera that meet the criteria for capital loans, and these loans are recognized in equity in Group reporting. Capital loan principal and interest are not included in the adjacent net debt table, as they are presented as equity. See more under section "*– Balance Sheet Information – Equity – Shareholder Loans*".

20.8.4.2 Loans from Financial Institutions

Sitowise is financed primarily by senior secured facilities made available under a senior facilities agreement between, inter alia, the Company and certain other group companies, OP Corporate Bank plc, Local Tapiola Corporate Lending I LP and Ilmarinen Mutual Pension Insurance Company dated 15 August 2016 (as amended from time to time, the "**Existing Facilities Agreement**"). The Existing Facilities Agreement includes committed term loan facilities in an aggregate amount of EUR 85.0 million and a committed revolving credit facility of EUR 10.5 million. The Existing Facilities Agreement also includes an uncommitted term loan facility in an aggregate amount of EUR 10.0 million.

Certain Sitowise group companies act as guarantors under the Existing Facilities Agreement and have granted transaction security over their assets in connection with the entry, or accession, into the Existing Facilities Agreement. The repayable loans under the Existing Facilities Agreement calculated as at the date of this Offering Circular (including interest until 26 March 2021) amount to EUR 72.5 million. The loans under the amortizing term loan facilities are repaid in semi-annual installments whereas the loans under the bullet term loan facilities are repaid in full on their respective termination dates. The loans under the revolving credit facility are repaid on each interest payment date and in full on the respective termination date provided that utilized revolving facility loans may be reborrowed at the end of each interest period subject to standard terms. The interest rate of all loans under the Existing Facilities Agreement is tied to EURIBOR. The applicable margin is also adjusted in accordance with the group meeting its sustainability targets in relation to the weighted average energy performance reference value of the buildings designed by the group to customers, the rate of absence due to illness (calculated by on the basis of the regular working hours) and ISO9001 and ISO14001 certification of certain group companies. The Existing Facilities Agreement includes financial covenants measuring cash flow, leverage and capital expenditure. The leverage covenant also impacts the margin applicable to the loans. The financial covenants are reviewed on a quarterly basis.

20.8.4.3 Refinancing

Sitowise has negotiated an extensive refinancing arrangement. A EUR 100.0 million facilities agreement in respect of the refinancing was signed on 12 March 2021 by Sitowise and two Nordic banks (the "**New Facilities**

Agreement"). The financial indebtedness under the Existing Facilities Agreement will be refinanced with the funds received from the Offering and with loans under a term loan facility made available under the New Facilities Agreement, which loans carry a floating interest rate. The facilities made available under the New Facilities Agreement consist of a EUR 40.0 million term loan facility, a EUR 40.0 million acquisition facility and a EUR 20.0 million revolving loan facility. The maturity of the facilities is 36 months calculated from the date of the New Facilities Agreement and the maturity of each facility may be extended with a separate consent of the relevant lenders. The term loan is amortized semi-annually starting from 30 June 2022 in instalments of EUR 500 thousand, and the entire remaining balance of the loan will be repaid on the final due date.

The facilities under the New Facilities Agreement may be utilized in connection with the Listing, provided that the standard conditions precedent for utilization are met, including the repayment of the Existing Facilities Agreement and the release of all transaction security under the Existing Facilities Agreement and that the gross proceeds from the Offering are equal to or in excess of EUR 65 million. The term loan facility will be available until 30 April 2021 and the revolving facility will be available until one month before the termination date of the respective facility.

The New Facilities Agreement contains customary representations, undertakings and events of default. The New Facilities Agreement includes a financial covenant measuring the ratio of net debt to EBITDA. The ratio of net debt to EBITDA also has an impact on the margin applicable to the facilities. The margin applicable to the facilities is also adjusted in accordance with Sitowise meeting its sustainability targets in relation to the weighted average energy performance reference value of the buildings designed by Sitowise to customers, the rate of absence due to illness (calculated by on the basis of the regular working hours), and ISO9001 and ISO14001 certification of certain group companies. Interest for the loan facilities under the New Facilities Agreement is comprised of the applicable reference rate plus margin, which may be 1.10–2.25 percent per annum for the EUR 40 million term loan facility and the EUR 40 million loan facility for acquisitions, and 0.95–2.05 percent per annum for the revolving loan facility depending on Sitowise's net debt to EBITDA ratio and meeting the sustainability metrics. The financial covenant is measured on a quarterly basis. The New Facilities Agreement also contains terms common to similar financing arrangements. No security or guarantees have been given by Sitowise or any other member of the group in relation to the New Facilities Agreement.

20.9 Financial Risk Management

The management of financial risks at Sitowise aims to ensure the financial stability of the Group and availability of sufficient financing options in different market situations. In addition, the aim is to support the businesses in identifying and managing business-related financial risks. The Group is exposed to diverse market risks. Changes in these risks have effects on the Company's assets, liabilities and anticipated business transactions. The risks are caused by changes in interest and exchange rates. Financial risk management is carried out as part of the Group's risk management efforts. The foundation of the management of financial risks is based on principles aiming for business continuity. The situation of financial risks is regularly reported on to the Company's Board of Directors and management. The Company's Board of Directors makes the most significant in-principle decisions concerning risk management. The Board of Directors reviews all material financing-related matters, such as the Group's external loan arrangements, on a case-by-case basis. The CFO of Sitowise is responsible for ensuring financing, identifying risks and, if necessary, implementation of hedging together with external counterparties. The business areas and subsidiaries are responsible for the management of risks involved in their respective business operations, and subsidiaries also for projecting cash flows.

20.9.1 Exchange rate risk

Sitowise is exposed to exchange risks, the most significant of which is the Swedish krona through the business operations of the Swedish subsidiaries. Sitowise does not actively hedge against exchange rate risks, as the income and expenses of business operations are primarily in the same currency ("natural hedge"). Translation risks is primarily caused by foreign currency-denominated internal loans of the Company. The Group's finance unit regularly analyzes translation risk and reports on essential factors in this area to the management. The most significant internal loans are denominated in the Swedish krona. The translation risk is not hedged. As at 31 December 2020, Sitowise's exchange rate sensitivity was approximately EUR 1.6 million, assuming that the SEK/EUR exchange rate changes 5 percentage points.

20.9.2 Interest rate risk

In its operations, Sitowise is exposed to financial risks, such as the impacts of changes in interest rates and availability of competitive financing. Changes in the macroeconomic environment or general situation in the financial markets may have negative impacts on the availability, price and other terms and conditions of financing. An increase in interest rates could have a material direct impact on the costs of available financing and Sitowise's existing financial expenses. An increase in interest rates could thereby affect the costs of Sitowise's debt financing in the future. Sitowise aims to continuously project and monitor the need for financing in its business operations so that Sitowise has sufficient liquid assets for financing its operations and repaying maturing debt.

As at 31 December 2020, the Group had EUR 72 million in interest-bearing bank loans. Loans from financial institutions were comprised of a variable rate loan. As at 31 December 2020, the interest rate exposure of Sitowise was approximately EUR 700 thousand, assuming that interest rates would increase by one percentage point.

20.9.3 Credit risk

Credit risk is the risk of a financial loss that occurs if a customer fails to fulfil their contractual obligations. The credit risk of Sitowise is related to counterparties from which it has outstanding receivables or with which Sitowise has long-term contracts. The tools of credit risk management at Sitowise include frontloaded payment schedules of projects, thorough investigation of the customers' background data and agreeing on advance payments. Sitowise assesses at the end of each reporting period whether there is objective evidence of impairment of a financial asset or group of financial assets. If there is justified indication of impairment, the said financial asset is recognized as a credit loss. Credit losses are recognized as expenses through profit and loss. Sitowise considers that there are indications of a credit loss if any of the following indications is present:

- Significant financial difficulties of the debtor
- Probability of the debtor's bankruptcy or other financial restructuring
- Default of payments

20.9.4 Solvency risk

In order to manage the solvency risk, Sitowise aims to continuously maintain sufficient liquidity reserves. Sitowise aims to have a sufficient amount of liquid assets to deal with fluctuations in the need for working capital.

20.10 Accounting Estimates and Judgements in Preparation of the Financial Statements

Preparing the financial statements in accordance with the IFRS requires the management to make discretionary decisions and use estimates and assumptions that have impacts on the amounts of assets and liabilities on the closing date, reporting of contingent assets and liabilities and the amounts of income and expenses for the reporting period. These estimates and assumptions are based on prior experience and other justifiable factors, such as expectations concerning future events which the management of Sitowise considers reasonable, taking into account the conditions on the closing date and when the said estimates and assumptions were made. Even though these estimates are based on the best view of Sitowise's management of events and measures on the closing date, it is possible that the outcomes differ from these estimates. The estimates and underlying assumptions are updated continuously and also when preparing the financial statements.

The Group may need to adjust its estimates if the conditions on which the estimates are based change, or if the Group receives new information or accumulates more experience. Any changes are recognized in the accounts for the financial period during which the estimate or assumption is updated.

Sitowise's most significant areas in which the management has exercised judgement when applying accounting principles are presented below. For more information on applied accounting policies, see notes to Sitowise's consolidated financial statements incorporated to this Offering Circular by reference.

20.10.1 Revenue Recognition

When revenue recognition is based on the percentage of completion, the outcome of the contract is assessed regularly and reliably. Revenue recognition based on the percentage of completion is based on estimates of the probable sales revenue and expenses of the project, as well as reliable measurement of the percentage of completion of the project. If the estimates of the project outcome change, the revenue recognition based on the percentage of completion is adjusted for the reporting period during which the change is initially known. The expected loss from the project is recognized as a loss provision immediately in conjunction with the following monthly reporting.

20.10.2 Impairment Testing

The preparation of calculations used in testing goodwill for impairment requires making estimates concerning the future. The management's estimates and related critical uncertainty factors are associated with the components of calculations concerning the recoverable amount, which include discount rate, growth rate after the projection period and development of net sales and operating profit, including the level of the Company's costs. The discount rate indicates current estimates of the time value of money and a relevant risk premium, which, in turn, indicates risks and uncertainty factors not taken into account by adjusting the estimates concerning the corresponding cash flows.

Sitowise has one cash-generating unit at the level of which goodwill is monitored and to which goodwill is allocated. Cash flow projections are based on the confirmed budget for the next year and confirmed strategy for the subsequent years. The length of the projection period used in impairment testing calculations is five years. The management's conservative estimate of long-term cash flow growth has been used in determining the growth in the terminal value. The growth factor used for the terminal value is 2.0% annual growth, corresponding to long-term GDP growth in the market areas in which Sitowise operates. The discount rate of cash flows is determined using the weighted average cost of capital (WACC). The key factors of WACC are risk-free interest rate, market risk premium, industry-specific beta factor, cost of debt and ratio of equity to liabilities. Impairment tests on 31 December 2020, 2019 and 2018 did not indicate a need for impairment of goodwill, with the recoverable amount exceeding the book value in all test periods.

Sitowise has estimated that no anticipated change in the key assumptions would cause a situation in which the book value of a cash-generating unit would exceed its recoverable amount. A zero-result sensitivity analysis was carried out in conjunction with the impairment testing, in which the discount rate was increased by 4 percentage points and the terminal growth assumption was reduced to 0%. Based on the sensitivity analyses, the probability of goodwill impairment losses was low.

20.10.3 IFRS 16 Leases

The management of Sitowise regularly reviews the strategic value of locations. This influences the IFRS 16 interpretation regarding for how long the Group is, for example, likely to extend a lease on premises until further notice. For the financial year ended 31 December 2020, outgoing cash flow due to leases totaled EUR 5.9 million (EUR 5.4 million in 2019 and EUR 4.6 million in 2018).

20.10.4 Income Taxes

The decision on recognizing deferred tax assets on the balance sheet requires discretion. Deferred tax assets are only recognized when it is more likely that they will be realized than not realized, which, in turn, is determined by whether sufficient taxable income will be generated in the future. The assumptions concerning the accumulation of taxable income are based on future cash flows projected by the management. These estimates concerning future cash flows, on the other hand, depend on estimates concerning, *inter alia*, the volume of future sales, business expenses, investments and other items affecting the profitability of business operations. These estimates and assumptions involve risks and uncertainty, and therefore it is possible that changes in conditions result in changes in expectations, which in turn can affect the deferred tax assets recognized on the balance sheet as well as any other tax losses or temporary differences not yet recognized. The ability of Sitowise to accumulate taxable income also depends on general factors relating to the economy, financing, competitiveness, legislation and regulation which are beyond its own control. If the future taxable income of Sitowise is lower than projected by the management when measuring the deferred tax assets to be recognized, the value of the assets decreases or they lose all value. In this case, the amounts recognized on the balance sheet may have to be reversed through profit and loss. Changes in circumstances can also lead to recognizing deferred tax assets for confirmed losses for which no receivables have been currently recognized.

20.11 Recent Changes in Accounting Policies

Sitowise has prepared the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as at and for the financial years ended 31 December 2020 and 2019. Sitowise's audited consolidated financial statements as at and for the financial year ended 31 December 2019, prepared in accordance with IFRS, include the unaudited comparative financial information as at and for the financial year ended 31 December 2018, as well as the unaudited opening IFRS balance sheet as per date of transition 1 January 2018. Sitowise's audited consolidated financial statements as at and for the financial year ended 31 December 2018 have been prepared in accordance with the Finnish accounting standards (FAS).

Sitowise's financial statements for the financial year ended 31 December 2019 have been prepared in accordance with the IFRS in force on 31 December 2019. Sitowise applied IFRS 1 First-time Adoption of International Financial Reporting Standards in the IFRS transition. In addition, the Group applied IFRS 16 Leases as of 1 January 2018.

21. CORPORATE GOVERNANCE

21.1 General

Under the Finnish Companies Act and the Company's Articles of Association, the Company's governance and management are distributed between the shareholders, Board of Directors and the CEO. The management team supports the CEO in the daily management of the Company's operations.

The shareholders take part in the supervision and governance of the Company through the resolutions of General Meetings of Shareholders. A General Meeting of Shareholders is generally convened by the Board of Directors. In addition to this, a General Meeting of Shareholders shall be held if the Company's auditor or shareholders representing a minimum of one-tenth of all outstanding shares in the Company demand in writing that a General Meeting be convened.

The task of the Board of Directors is to see to the governance of the Company and ensure the appropriate organisation of the Company's operations. According to the Company's Articles of Association, the Board of Directors consists of a minimum of three (3) and a maximum of nine (9) members. The term of office for members of the Board of Directors expires at the end of the first Annual General Meeting of Shareholders following the election. The Company's Board of Directors appoints the CEO and decides on the terms and conditions of his/her executive contract in writing.

Sitowise's corporate governance complies with the Finnish Companies Act and the Finnish Corporate Governance Code for listed companies issued by the Securities Market Association.

The address of the members of the Board of Directors, the CEO and the management team is Linnoitustie 6 D, FI-02600 Espoo, Finland.

21.2 Sitowise's Management

21.2.1 Board of Directors

The members of the Board of Directors are Eero Heliövaara (the Chairman), Taina Kyllönen, Janne Näränen, Elina Piispanen, Petri Rignell, and Tomi Terho. Janne Näränen has informed that he will resign from the Board of Directors of the Company subject to the completion of the Listing, and Leif Gustafsson and Mirel Leino-Haltia have been appointed as new members of the Board of Directors conditional upon the execution of the Listing.

The following table sets forth the members of the Company's Board of Directors as at the date of this Offering Circular, apart from the Board member to resign subject to the completion of the Listing:

Name	Year of birth	Position	Board member since
Eero Heliövaara	1956	Chairman of the Board	2019
Taina Kyllönen	1967	Board Member	2019
Elina Piispanen	1963	Board Member	2017
Petri Rignell	1962	Board Member	2019
Tomi Terho	1984	Board Member	2016

Eero Heliövaara has been a member of the Company's Board of Directors and Chairman of the Board since 2019. In addition, Mr. Heliövaara is Vice Chairman of the Board of YIT Corporation and a Board member of CapMan Plc and LymphaTouch Inc, in addition to which he acts as a delegate in the Finnish Foundation for Economic Education and as the Vice Chair of the Board of the Foundation of the Finnish Cancer Institute. Previously he has acted as Director General at the State of Finland, the Ownership Steering Department of Prime Minister's Office, CEO of SRV Group Plc, Pohjola Yhtymä Oyj and Merita Asset Management Oy, and as an Executive Vice President and Chief Investment Officer of Ilmarinen Mutual Pension Insurance Company. Mr. Heliövaara holds a Master's degree in Economics and Business Administration from Helsinki School of Economics and a Master's degree in Engineering from Helsinki University of Technology, and he is a Finnish citizen.

Taina Kyllönen has been a member of the Company's Board of Directors since 2019. In addition, Ms. Kyllönen acts as the Director of Communications and Community Relations of the University of Helsinki. Previously she has acted as Executive Vice President and Head of Corporate Identity and Group Communications and Member of the Executive Committee of SSAB Group, in addition to which she has held similar positions at Rautaruukki

Corporation and Metso Oyj and acted as a Board Member of ProCom Oy. Ms. Kyllönen holds a Master's degree in Economics from Helsinki School of Economics, and she is a Finnish citizen.

Elina Piispanen has been a member of the Company's Board of Directors since 2017. In addition, Ms. Piispanen is CEO of Fit Advice Oy, Chair of the Board of Punainen Risti Ensiapu Oy, Vice Chair of the Board and Chair of the People and Remuneration committee of Viria Plc, a Board member of Telko Ltd and as an angel investor in several firms. Previously she has acted as Chief Transformation Officer at Sanoma Media Finland Ltd and as the Chair of the Board of Directors of Zero Keyboard Ltd, in addition to which she has held several leading positions at Accenture. Ms. Piispanen holds a Master's degree in Economics from Helsinki School of Economics and she is a Finnish citizen.

Petri Rignell has been a member of the Company's Board of Directors since 2019. He also serves as a member of the Board of Directors and as the Chief Executive Officer of PriRock Oy, as a member of the Board of Directors of Consti Plc, Setera Communications Oy, KFS Finland Oy, CTS Engtec Oy, Smaragdus Oy and JPRock Oy and as the Chairman of the Board of Directors of Kreate Group Plc and CTV Properties AB. In addition, during the previous five years he has served as a member of the Board of Directors of Finno Exergy Oy and Tilakarhut Oy and as the Chairman of the Board of Directors of Normek Oy. Mr. Rignell holds a Master's degree in Engineering from Helsinki University of Technology, and he is a Finnish citizen.

Tomi Terho has been a member of the Company's Board of Directors since 2016. In addition, Mr. Terho is a partner at Intera Partners Oy and serves as a member of the Board of Directors in several companies belonging to the group of companies of Intera Partners Oy. Previously he has also been a Board member of Royal Restaurants Ltd, Evidensia Djursjukvård AB, Animagi Oy, Consti Group Plc and Polarica Ab and as a Management Consultant at McKinsey. Mr. Terho holds a Master's degree in Economics from Helsinki School of Economics and he is a Finnish citizen.

Janne Näränen (born in 1975) has informed that he will resign from the Board of Directors of the Company subject to the completion of the Listing.

Janne Näränen has been a member of the Company's Board of Directors since 2016. He is a partner at Intera Partners Oy and serves as a member of the Board of Directors in several companies belonging to the group of companies of Intera Partners Oy. He also serves as a member of the Board of Directors of Kreate Group Plc, PHM Group Oy, and Renta Group Oy. In addition, during the previous five years he has served as the Chairman of the Board of Directors of PHM Group Oy and Renta Group Oy, and as a member of the Board of Directors of Consti Group Plc and Trafotek Oy. Mr. Näränen holds a Master's degree in Engineering from the Helsinki University of Technology and a Master's degree in Economics from the Helsinki School of Economics, and he is a Finnish citizen.

The shareholders of the Company resolved by a unanimous resolution on 3 March 2021 to elect Leif Gustafsson as a new member of the Board of Directors. In addition, the shareholders of the Company resolved by a unanimous resolution on 9 March 2021 to elect Mirel Leino-Haltia as a new member of the Board of Directors. The elections of the new Board members are conditional upon the execution of the Listing, and will take effect immediately when trading in the Company's shares begins on Helsinki Stock Exchange.

Leif Gustafsson (born in 1967) has acted as the CEO of Cramo Plc in 2016–2020. Previously, he has also acted as the CEO of Stena Recycling International AB, Stena Recycling AB and YIT Sverige AB. Leif has a degree in construction engineering, and he is a Swedish citizen.

Mirel Leino-Haltia (born in 1971) acts as a Professor of Practice at Aalto University School of Business, a Board Member and Chairman of the Audit Committee of Teleste Corporation and Euroclear Finland Ltd, as well as a Board Member of Savings Banks Research Foundation, LocalTapiola Mutual Life Insurance Company, LocalTapiola Asset Management Ltd, LocalTapiola Real Estate Asset Management Ltd, LocalTapiola Alternative Investment Funds Ltd, and as Chairman of the Board of Indufor Oy. Previously, Ms. Leino-Haltia has worked several years as a partner in consulting practice of PricewaterhouseCoopers Oy. Ms. Leino-Haltia holds a PhD in Economics and Business Administration from Hanken School of Economics and a CFA charter (Chartered Financial Analyst), and she is a Finnish citizen.

21.2.2 CEO and Management Team

The CEO is responsible for the supervision and control of the Company's day-to-day operations in accordance with the Finnish Companies Act and authorisations and guidelines issued by the Board of Directors.

The following table sets forth the members of Sitowise's management team as at the date of this Offering Circular.

Name	**Year of birth**	**Position**	**Member of management team since**
Pekka Eloholma	1960	Chief Executive Officer	2019
Heidi Karlsson	1967	Chief Financial Officer	2018
Jannis Mikkola	1973	Business Director, Infrastructure Solutions	2018
Timo Palonkoski	1982	Business Director, Building Solutions	2018
Teemu Virtanen	1972	Business Director, Digital Solutions	2018
Anne-May Asplund	1971	Chief Human Resources Officer	2018
Turo Tinkanen	1982	Chief Information Officer	2018
Minttu Vilander	1981	Chief Communications and Corporate Responsibility Officer	2020

Pekka Eloholma has been managing Sitowise since August 2019. Before becoming the CEO, he served on Sitowise's Board of Directors for two years, first as a member and then as Chairman of the Board for a little less than a year. He has previously managed the Nordic listed company Affecto and the IT services company Nebula. Eloholma has a Master's degree in Engineering.

Heidi Karlsson has been Sitowise's Chief Financial Officer since the beginning of 2018. She joined Sitowise from the position of CFO of Dovre Group. Prior to that, she has worked for 17 years (1993–2010) at Nokia Network and NSN in a variety of financial management roles in Germany, Switzerland, China, Latin America and Finland. Karlsson holds a Master's degree in Economics.

Jannis Mikkola has led Sitowise's infrastructure business since 2018 and is the Group's Executive Vice President. He has a 15-year career in a variety of management roles in Sitowise and has worked in infrastructure sector for more than 20 years, specializing in multidisciplinary urban projects and underground construction. Mikkola has a Master's degree in Engineering.

Timo Palonkoski has been managing the building business sector since 2018 and also serves as Sitowise's Executive Vice President. He started working at Sitowise and companies merged to it in 2006: he has been an Executive Vice President of Renovation Construction at Wise Group Finland Oy and the Deputy President of Nexon Consulting Oy. Palonkoski holds Master's degree in Engineering (M. Eng).

Teemu Virtanen works as the director of Sitowise digital solutions. He took up his position in 2018, after selling Dimenteq Oy, a company he had founded, to Sitowise. Dimenteq was an IT service company specialised in developing GIS solutions. Before founding Dimenteq, Virtanen worked for e.g. Digia Plc, and WM-data Oy. Mr. Virtanen holds a Master of Science degree in Surveying.

Anne-May Asplund has been Sitowise's HR Director since early 2018. She has nearly 20 years of experience in demanding human resources and communications positions in various organizations, including listed companies Aktia and Coor. She has extensive experience working in changing operating environments in the industrial, financial, real estate services and consulting industries. Ms. Asplund holds a Master's degree in Economics.

Turo Tinkanen has been Sitowise's Chief Information Officer for three years. Prior to Sitowise, he ran his own IT consulting firm for 16 years. Through this he has become particularly familiar with the IT environments, challenges and development opportunities in the consulting and design industry, and has extensive experience in systems specific to the construction industry. Tinkanen has a degree in telecommunications engineering.

Minttu Vilander has been Sitowise's Chief Communications and Corporate Responsibility Officer at Sitowise Group since February 2020. Prior to that, she has worked as the communications director of the listed company NRC Group, which specializes in track construction and maintenance and as the communications manager of the design firm Granlund. Vilander holds a Master of Arts degree.

21.3 Management's Backgrounds and Family Relations

Apart from what has been presented below, as at the date of this Offering Circular none of the members of the Board of Directors, the management team nor the CEO have during the five previous years:

- been convicted in relation to fraudulent offences;
- held an executive function, been included in the executive management, or been a member of the administrative, management or supervisory bodies of any company, or acted as a general partner with individual liability in a limited partnership at the time of or preceding any bankruptcy, receivership, administration of an estate or liquidation; or
- been subject to any official public incrimination and/or sanctions by any statutory or regulatory authorities (including any designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

Janne Näränen has acted as a member of the Board of Directors of HopLop Oy and HopLop Holding Oy which have been placed in corporate debt restructuring in 2020.

There are no family relations between the members of the Company's Board of Directors or of the management team.

21.4 Conflicts of Interest

Provisions regarding the conflicts of interest of the management of a Finnish company are set forth in the Finnish Companies Act. Pursuant to Chapter 6, Section 4 of the Finnish Companies Act, a member of the Board of Directors may not participate in the handling of a contract between himself or herself and the company. Further, pursuant to Chapter 6, Section 4 a of the Finnish Companies Act, a member of the Board of Directors may not participate in the handling of a contract between himself or herself or an entity that is related to himself or herself as defined in the IAS 24 standard, and the company or its subsidiary, unless the agreement is part of the company's ordinary course of business or is conducted on normal market terms. This provision also applies to any other legal act, legal proceeding or other similar matter. Further, this provision also applies to the CEO.

The members of the Company's Board of Directors, the CEO or the members of the management team do not have any conflicts of interest between their duties relating to the Company and their private interests and/or their other duties.

According to the independence assessment, the following members of the Company's Board of Directors are independent of the Company and its major shareholders: Eero Heliövaara, Taina Kyllönen, Elina Piispanen and Petri Rignell. Also the new members of the Board of Directors, Leif Gustafsson and Mirel Leino-Haltia, are independent of the Company and its major shareholders. Janne Näränen and Tomi Terho are not independent of Intera, which is a major shareholder of Sitowise.

21.5 Duties of the Board of Directors

The Board of Directors supervises Sitowise's operations and management, deciding on significant matters concerning the company strategy, investments, organization and finance in accordance with the Finnish Companies Act. The Board of Directors has general competence to decide and act in all matters not reserved for other corporate governing bodies by law or under provisions of the Company's Articles of Association. The Board approves Sitowise's strategic objectives and principles for risk management and ensures that the Company's management, control and internal audit systems function effectively.

The Board of Directors has compiled a written working order for its operations, defining the main duties and operating principles of the Board. According to the working order, the Board of Directors' duties include, among others:

- confirming the Charter of the Audit Committee, the Nomination Committee and the Remuneration Committee and appointing their Chairs and members;

- annually approving the Company’s strategy, budget and business plan and supervising their execution;
- arranging the control, supervision and audit of the Company’s accounts and finances;
- reviewing and approving interim reports, financial statements and the annual report;
- defining the Company’s dividend policy;
- appointing and discharging from his/her duties the CEO, the deputy CEO and the management team;
- resolving on the remuneration and incentives of the CEO and the management team;
- steering the operations of the Company and supervising and monitoring the CEO;
- confirming the Group’s organizational structure and deciding on any material organizational changes;
- deciding on acquisitions;
- deciding on large and strategically significant investments and divestments and on any other matters that are of material importance to Sitowise;
- deciding on guidance and financial targets and changes to them;
- annually assessing the performance of the Board of Directors, including its activities and working methods, and its individual members;
- deciding on the publication of important information concerning Sitowise and its activities.

Further, the Board of Directors shall monitor issues pertaining to significant risks and risk management activities, performance of the CEO and resourcing of the top management. The Board of Directors shall ensure that adequate policies for risk management are in place.

21.6 Committees

21.6.1 General

Sitowise has three committees appointed by the Board of Directors: the Audit Committee, the Nomination Committee and the Personnel Committee. The Committees have no independent decision-making authority but their purpose is to present issues within their remit to the Board of Directors and the General Meeting for a decision. The Committees report regularly to the Board of Directors.

21.6.2 Audit Committee

The Board of Directors has confirmed the Audit Committee’s key duties and operating principles in the Charter of the Audit Committee. The Audit Committee consists of three to four members. The majority of the members of the Audit Committee must be independent of the Company, and at least one of the members must be independent of the major shareholders of the Company.

The Audit Committee reports to the Board of Directors. Members of the Audit Committee shall have the relevant expertise and experience required for the performance of the duties of the Audit Committee and the mandatory tasks relating to auditing. At least one of the members shall have expertise in accounting or auditing, and the members of the Committee as a whole shall have relevant expertise relating to the Company’s business operations.

The Audit Committee is responsible for ensuring the appropriate arrangement of the governance, controls and risk management according to the Companies Act and to provide the Board with quarterly reports on those matters. In particular, it is the responsibility of the Audit Committee to prepare matters relating to monitoring and reviewing the Company’s financial reporting processes, internal controls, internal audit, and the efficiency of risk management and how agreements and other legal acts between the Company and its related parties meet the requirements of the ordinary course of business and arm’s length terms. In addition, the Audit Committee prepares matters relating to the Company’s audit, the appointment of the auditor, the independence of the Company’s auditor and that the auditor’s non-audit services are compatible with the auditor’s independence.

The members of the Audit Committee are: Tomi Terho (Chairman), Taina Kyllönen and Mirel Haltia-Leino.

21.6.3 Nomination Committee

The Board of Directors has confirmed the Nomination Committee's key duties and operating principles in the Charter of the Nomination Committee. The Nomination Committee consists of the Chairman and at least two members of the Board of Directors which the Board of Directors shall choose from among its members after the Annual General Meeting. Majority of the members of the Nomination Committee must be independent from the Company.

The Nomination Committee is responsible for preparing proposals regarding the election and remuneration of the members of the Board of Directors for the Annual General Meeting and, when necessary, the Extraordinary General Meeting, as well as for identifying potential candidates for the Board of Directors. The Nomination Committee must ensure that the Board of Directors and its members maintain and represent sufficient expertise, knowledge, competence and diversity.

The members of the Nomination Committee are: Eero Heliövaara (Chairman), Petri Rignell and Tomi Terho.

21.6.4 The Personnel Committee

The Board of Directors has confirmed the Personnel Committee's key duties and operating principles in the Charter of the Personnel Committee. The Personnel Committee consists of the Chairman and at least two members of the Board of Directors which the Board of Directors shall choose from among its members after the Annual General Meeting. Majority of the members of the Personnel Committee must be independent from the Company.

The Personnel Committee is responsible for recommending and evaluating executive nominations and compensations including CEO's, evaluating the performance of the CEO and making recommendations to the Board on compensation matters regarding the members of the management team. In addition, the Personnel Committee coordinates and prepares proposals relating to Sitowise's corporate culture and the development of its personnel policy. The Board appoints the CEO and approves his/her compensation as well as the nomination and compensation of the other members of the management team. The Personnel Committee is also responsible for the preparation of a policy and report concerning the remuneration of the Company's Board of Directors, CEO and possible deputy CEO.

The members of the Personnel Committee are: Eero Heliövaara (Chairman), Elina Piispanen and Leif Gustafsson.

21.7 Corporate Governance

Sitowise is committed to good corporate governance through compliance with laws and regulations in all of its operations and to implement recommendations for good corporate governance. The governance of the Company complies with the Company's Articles of Association, Finnish legislation, in particular the Finnish Companies Act, the Accounting Act, securities markets regulations and other decrees and regulations relevant to the governance of a public limited liability company. Furthermore, the Company's operations are guided by values and internal operating principles ratified by the Company.

In its governance, the Company also complies with the Finnish Corporate Governance Code for listed companies (hereinafter "**the Code**") issued by the Securities Market Association entered into force on 1 January 2020. As at the date of this Offering Circular, the Company does not deviate from any Corporate Governance Code recommendation. The Code is available on the Internet at www.cgfinland.fi.

21.8 Shareholding by the Members of the Board of Directors and Management Team

The following table sets forth the number of shares owned by the members of the Board of Directors and management team as at the date of this Offering Circular prior to the combination of the Company's share classes and prior to the redemption and cancellation of class P1 and P2 shares, as well as options that the Board of Directors has decided to allocate to them as part of the long-term incentive plan, subject to the completion of the Listing (see "*– Incentive Programs – Long-term Incentive Plan*"). The table shall be read with notice of the fact that the persons within the scope of the incentive plan have not yet subscribed for the options that have been offered to them.

The shareholders of the Company unanimously resolved on 3 March 2021 that the Company's class A1 and A2 shares will be combined into one single class of shares and class P1 and P2 shares will be redeemed subject to the completion of the Listing.

Number of Shares

Name	Position	Number of class A2 Shares	Number of class P1 Shares	Number of class P2 Shares	Options to be issued if the Listing is completed
Eero Heliövaara[1]	Chairman of the Board	64,520	32,248	-	-
Taina Kyllönen	Board Member	7,320	10,968	-	-
Janne Näränen	Board Member	-	-	-	-
Elina Piispanen[2]	Board Member	30,000	25,000	10,000	-
Petri Rignell[3]	Board Member	80,340	-	95,540	-
Tomi Terho	Board Member	-	-	-	-
Leif Gustafsson	Board Member	-	-	-	-
Mirel Leino-Haltia	Board Member	-	-	-	-
Pekka Eloholma	Chief Executive Officer	219,960	47,762	9,998	108,000
Heidi Karlsson	Chief Financial Officer	60,860	45,540	-	36,000
Jannis Mikkola	Business Director, Infrastructure Solutions	356,740	333,333	170,538	36,000
Timo Palonkoski	Business Director, Building Solutions	149,640	104,642	29,821	36,000
Teemu Virtanen	Business Director, Digital Solutions	166,660	250,010	-	36,000
Anne-May Asplund[4]	Chief Human Resources Officer	15,180	22,752	-	14,400
Turo Tinkanen	Chief Information Officer	52,000	-	-	14,400
Minttu Vilander	Chief Communications and Corporate Responsibility Officer	12,200	18,280	-	14,400

[1] Shares held by Heliocabala Oy, a company controlled by Heliövaara.
[2] Shares held by Fit Advice Oy, a company controlled by Piispanen.
[3] Including both shares held directly by Rignell and shares held by PriRock Oy, a company controlled by Rignell.
[4] Asplund will offer 4,554 Sale Shares for sale in the Offering, as a result of which her shareholding would be 10,626 Shares after the Offering.

21.9 Board of Directors' and Management's Fees and Benefits

21.9.1 Board of Directors' Fees

According to the Finnish Companies Act, the Annual General Meeting of Shareholders decides on the fees payable to the members of the Company's Board of Directors.

On 1 March 2021, the shareholders of the Company resolved unanimously as a part of the matters resolved in the Annual General Meeting that, subject to the completion of the Listing, the remuneration of the Chairman of the Board is EUR 4,750 per month and the remuneration of other members of the Board is EUR 2,250 per month. In addition, it was unanimously decided that an attendance allowance of EUR 1,000 will be paid for each meeting to the Chairman of the Board and the Chairmen of the Audit and Personnel Committees, and that an attendance allowance of EUR 400 will be paid for each meeting to the other members of the Board. The Chairman and members of the Nomination Committee will each be paid an attendance allowance of EUR 1,000 in total. The remuneration will be paid as of April, if the Listing is completed by the end of March.

The following table sets forth the remuneration paid to the members of the Company's Board of Directors for the periods indicated.

(EUR thousand)	For the financial year ended 31 December 2020 (audited)	 2019 (audited)	 2018 (unaudited)
Remuneration of the Board of Directors	76	56	63

Apart from the above-mentioned unanimous shareholders' resolution on 1 March 2021, there have not been material changes to the remuneration of the Company's Board of Directors between 31 December 2020 and the date of this Offering Circular.

21.9.2 Remuneration of the CEO and Members of Management Team

The Board of Directors decides on the remuneration and its terms of the CEO and the members of the management team. The remuneration of the management team and the CEO consists of a monthly salary, customary fringe benefits and incentives as in force from time to time.

The pension benefits of the Company's CEO and the other members of the management team are determined in accordance with law and customary practice. The Company has not taken out additional pension insurance policies for the CEO or management team. The retirement age of the CEO of the parent company is 64 years and six months.

The following table sets forth the remuneration paid to the Company's CEO and management team for the periods indicated.

(EUR thousand)	For the financial year ended 31 December 2020 (audited)	 2019 (audited)	 2018 (unaudited)
Wages and salaries paid to the CEO, including fringe benefits	329	457[1]	204
Wages and salaries paid to the other members of the management team, including fringe benefits	1,157	1,080	975
Total	**1,486**	**1,537**	**1,179**

[1] The CEO was changed in 2019 and the number includes wages and salaries paid to both of them.

The Company's CEO had a share-based incentive scheme, pursuant to which the CEO had the right to subscribe for 7,692 class A2 shares in the Company at the subscription price of EUR 52 per A2 share. The Company's CEO sold all of these options with EUR 600 thousand in February 2021. Apart from that, there have not been material changes to the remuneration of the Company's Board of Directors between 31 December 2020 and the date of this Offering Circular.

21.10 Termination Benefits

The period of notice of the CEO is six (6) months for both parties. Besides salary for the period of notice, the CEO is not entitled to a separate severance payment upon resigning. If the Company terminates the CEO's employment due to a reason other than the CEO's severe misconduct, crime or similar reason, the CEO is, in addition to salary for the six-month period of notice, entitled to compensation amounting to a maximum of six (6) months' salary, provided that the CEO has not entered into an employment or service relationship with a third party during the said period.

21.11 Incentive Programs

21.11.1 Short-term Incentive Plan

Sitowise has a short-term incentive program in place, the purpose of which is to incentivize the employees in contributing towards achieving the strategic goals of Sitowise, reward the employees for reaching the targets and to increase the commitment of the employees. The short-term incentive program is divided in two parts: (i) performance bonus system and (ii) one-off rewards. All employees in Finland are part of the short-term incentive program.

The short-term incentive of the CEO and members of the management team is decided on by the Company's Board of Directors. The short-term incentive is comprised of an annual performance bonus. The Board of Directors annually confirms the conditions and reward criteria based on which performance bonuses are paid to the management team. Any performance bonus is based on reaching the set financial objectives, such as EBITDA or other objectives, at the level of the Group and/or the business unit concerned. In addition to these, members of the management team may have personal or team-specific objectives.

21.11.2 Long-term Incentive Plan

In March 2021, the Board of Directors of the Company decided on the establishment of a new long-term incentive scheme which is 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. The goal of the scheme is to encourage Sitowise's key employees towards long-term shareholding in the Company by requiring an investment in the Shares in order to receive options. In addition, the options are used to encourage the key employees in the target group towards long-term efforts in order to increase shareholder value and to retain the key employees.

Under the option program, a maximum of 1,463,400 options will be issued, each of which will give the right to subscribe for one new or treasury Share[94]. The options will be issued under the authorization granted to the Board of Directors by the unanimous resolution of the shareholders on 3 March 2021 (see "*Shares and Share Capital – Share Information – Valid Authorisations*").

The option program includes 636,750 class A options and 826,650 class B options. Class A options have a three-year vesting period, and class B options have a four-year vesting period. The subscription of shares with class A options takes place between 1 April 2024 and 31 March 2025, and with class B options between 1 April 2024 and 31 March 2026, if the pre-defined threshold yield for the Share set for the commencement of the subscription period is met. The subscription price with the options equals to the subscription price of the Share in the Offering less annually paid dividends and capital repayments.

The class A and B options may be divided into matching and performance options. In order to receive matching options, the recipient of the options must hold or subscribe for in the Personnel Offering as many Shares as they have been allocated matching options. The Shares must be held until the subscription period for the shares to be subscribed with the options begins. As at the date of this Offering Circular, the number of allocated matching options is 923,400 in total. The performance options have a higher threshold yield for the Share regarding the commencement of the subscription period of the share than matching options. For more information on the options allocated to the management team, see "*– Shareholdings by the Members of the Board of Directors and the Management Team*".

In addition, members of the management team in the option program must acquire shares with 50 percent of their net profit from the options, until the total value of their shareholding in the Company corresponds to the value of their annual salary. This number of shares must be held as long as the membership of the management team continues.

The options will be forfeited and transferred back to the Company for no consideration if the option holder resigns or the employment relationship or service contract is terminated before the commencement of the subscription period of the Shares to be subscribed with the options. Under certain conditions, the Board of Directors may decide that the option holder may, however, keep a part of their options.

[94] After the combination of the share classes.

21.12 Memberships and Partnerships

The members of the Board of Directors and the management team of the Company have or have had during the last five years before the date of this Offering Circular the following memberships and/or been partners in the following partnerships:

Members of the Board of Directors	**Current memberships and partnerships**	**Previous memberships and partnerships**
Eero Heliövaara	YIT Corporation CapMan Plc LymphaTouch Inc. Heliocabala Oy Vierumäki Golf Garden Oy Boardview Ltd. Foundation for Economic Education Saastamoinen Foundation Finnish Cancer Institute	Oy Pörssitalo-Börshuset Ab Solidium Oy
Taina Kyllönen	HY+ Oy Helsinki Innovation Services Ltd Hanna Brotherus Company Oy Ratkaiseva Liike Ry	SSAB Corporation ProCom Oy
Janne Näränen	Kreate Group Plc PHM Group Oy PHM Holding Oy Kotikatu Group Oy Kotikatu Holding Oy Ulla Real Estate Services TopCo Oy Ulla Real Estate Services MidCo Oy Ulla Real Estate Services BidCo Oy Renta Group Ltd Intera Partners Oy Intera Equity Partners Ltd Intera Equity Partners II Ltd Intera Equity Partners III Ltd. Saaga Invest Oy	Consti Plc Trafotek Oy LTI Holding Oy Hoplop Oy Hoplop Holding Oy Wise Group Finland Oy Hupipuisto Oy Renta Yhtiöt Oy Renta Telineet Oy Kalustokymppi Oy
Elina Piispanen	Fit Advice Oy Telko Ltd Viria Plc Punainen Risti Ensiapu Oy	Sanoma Media Finland Ltd Zero Keyboard Ltd
Petri Rignell	PriRock Oy Consti Plc Kreate Group Plc CTV Properties AB Setera Communications Oy KFS Finland Oy CTS Engtec Oy Smaragdus Oy JPRock Oy	Normek Oy Finno Exergy Oy Tilakarhut Oy Sotkamon Porapaalu Oy
Tomi Terho	Intera Partners Oy Intera Equity Partners II Ltd Intera Equity Partners III Ltd. PTK MidCo Oy PTK Hallinto Oy Vastaamon Henkilöstöosakkaat Oy NoHo Partners Plc Asunto Oy Kasinonranta, Helsinki Lummene Capital Oy Oppo One Oy	Wise Group Finland Oy Psykoterapiakeskus Vastaamo Oy RR Holding Oy Royal Restaurants Ltd Royal Konseptiravintolat Oy Evidensia Djursjukvård AB Evidensia Acquisition Ab Evidensia Holding Ab Evidensia Djursjukvård Holding Ab Polarica Holding Ab Polarica Ab Lapin Liha Oy

Leif Gustafsson	Assemblin Financing AB (publ)	Cramo Plc European Rental Association
Mirel Leino-Haltia	Teleste Corporation Euroclear Finland Ltd Arvopaperikeskuksen rahasto LocalTapiola Mutual Life Insurance Company LocalTapiola Asset Management Ltd LocalTapiola Real Estate Asset Management Ltd LocalTapiola Alternative Investment Funds Ltd Indufor Oy Säästöpankkien Tutkimussäätiö sr Exito Consulting Oy	PricewaterhouseCoopers Oy
Members of the management team		
Pekka Eloholma	Signom Oy Innofactor Plc	Nebula Oy LeaseGreen Group Oy Digitalist Group Plc
Heidi Karlsson	As. Oy Finnsbackanpolku-Bostads Ab Finnsbackastigen	Dovre Group Plc
Jannis Mikkola	Kirjatarvike Oy	Westendin Lämpö Oy Geotek Oy
Timo Palonkoski		Wise Group Finland Oy Nexon Consulting Oy Smaragdus Oy CTS Engtec Oy Fimpec Oy
Teemu Virtanen	Reffi Oy Ilotto Oy	Dimenteq Oy Allteq Solutions Oy
Anne-May Asplund	-	Coor Service Management Oy
Turo Tinkanen	-	Bit Group Finland Oy
Minttu Vilander	-	NRC Group ASA NRC Group Finland Oy VR Track Oy

22. RELATED PARTY TRANSACTIONS

22.1 General

The Company's related parties include the subsidiaries belonging to the same group as the Company as well as the companies belonging to the group owned by the controlling owner Intera. In addition, the Company's related parties include the members of the Board of Directors of the Company and the management team of Sitowise, including the CEO, and their close family members and their controlled entities. The Company is controlled by Intera, which owns in total 36.9 percent of the outstanding class A shares, representing 98.3 percent of the votes in the Company as at the date of the Offering Circular.

The parent-subsidiary relations of the Group are presented in the section "*Business of the Company – Group Legal Structure*".

22.2 Transactions with Related Parties

Transactions with related parties consist mainly of loan receivables from Smaragdus Oy and expenses relating to advisory and consulting fees paid to the companies controlled by certain members of the Board of Directors.

The following table sets forth the Company's related party transactions for the periods indicated. Such transactions with the related parties, that will not eliminate in the consolidated financial statement, have been presented below.

	For the financial year ended 31 December		
(EUR thousand)	**2020 (audited)**	**2019 (audited)**	**2018 (unaudited)**
Other related parties			
Income	-	-	-
Expenses	(36)	(173)	(58)
Receivables	917	845	395
Liabilities	-	4	-

The Company has shareholder loans from Intera that fulfill the criteria of a capital loan, and thus these loans are regarded as a part of the Group's equity.

As a part of commitment of Sitowise's personnel, certain members of the personnel, including the members of the management team, have invested in class A2 and P shares issued by the Company. In the directed share issues to Sitowise's personnel, the shares in the Company were subscribed for with EUR 741 thousand in total during the financial period ended 31 December 2018, EUR 1,764 thousand during the financial period ended 31 December 2019, and EUR 888 thousand during the financial period ended 31 December 2020. During the 12-month period prior to the date of this Offering Circular, none of the members of the Board of Directors or the management team have subscribed for shares in the Company. The shareholdings of the members of the Board of Directors and the management team have been described in section "*Corporate Governance – Shareholding by Members of the Board of Directors and the Management Team*".

In February 2021, Intera purchased from the CEO all the options granted the CEO, and, with the options, subscribed for 7,692 class A2 shares in the Company at a subscription price of EUR 52 per share.

Sitowise intends is to repay its shareholder loans and any accrued interest (with EUR 14.3 million) and redeem all class P shares (with EUR 21.4 million) with the proceeds from the Share Issue in connection with the execution of the Listing.

Apart from the above-described subscription of shares with the options, the decision to repay the shareholder loans and to redeem the P shares, there have not been material changes to the Sitowise's related party transactions between 31 December 2020 and the date of this Offering Circular.

23. OWNERSHIP STRUCTURE

As at the date of this Offering Circular, the Company has issued 47,348,856 shares, of which 9,430,120 are class A1 shares, 16,522,260 are class A2 shares, 12,879,032 are class P1 shares and 8,517,444 are class P2 shares. Pursuant to the Company's Articles of Association, each class A1 share carries 100 votes, each class A2 share carries 1 vote and class P1 and P2 shares do not have voting rights at the Company's General Meetings of Shareholders. The shareholders of the Company resolved by a unanimous resolution on 3 March 2021 that the Company's class A1 and A2 shares will be combined into a single share class and the class P1 and P2 shares will be redeemed, in each case, subject to the completion of the Listing (see "*Shares and Share Capital – Share Information – Changes to the Shares prior to the Listing*"). Once the combination of the share classes and the cancellation of class P shares have been registered in the Trade Register, the Company will have a single share class, which will have 25,952,380 issued Shares (excluding any New Shares to be issued in the Offering).

The following table sets forth ten largest shareholders of the Company by number of votes and their holdings of the A1 and A2 shares, based on the shareholders' register maintained by Euroclear Finland Ltd as at 11 March 2021 as well as on information available to the Company, prior to the completion of the combination of the Company's share classes:

Shareholder	**Number of Shares**	**% of Shares**	**% of votes**
Intera Fund III Ky	9,583,960	36.93	98.29
Mantere Pekka	1,319,300	5.08	0.14
Puurunen Tapio	1,055,440	4.07	0.11
Anttalainen Kimmo	993,720	3.83	0.10
Skedevi Holding Ab	841,640	3.24	0.09
Tinkanen Harri	469,200	1.81	0.05
Tuominen Rauno	371,220	1.43	0.04
Mikkola Jannis	356,740	1.37	0.04
Liukas Juha	329,820	1.27	0.03
Ala-Ojala Jukka	283,080	1.09	0.03
Others	10,348,260	39.9	1.08
Total class A shares in the Company	**25,952,380**	**100**	**100**

As at the date of this Offering Circular, Intera owns in total 36,9 percent of the outstanding class A shares, representing 98.3 percent of the votes in the Company. Accordingly, Intera has control over the Company as referred to in Chapter 2, Section 4 of the Finnish Securities Market Act (746/2012, as amended).

All the current shareholders of the Company are parties to a shareholder's agreement concerning the Company, dated 18 August 2016 and as amended on 31 March 2017. The shareholders' agreement shall terminate in connection with the Listing.

The Company is not aware of any arrangements following the Offering that may in the future lead to a change of control in the Company.

24. SHARES AND SHARE CAPITAL

24.1 General

The Company is incorporated on 28 June 2016 in Finland and organised under the laws of the Republic of Finland. The Company's registered company name is Sitowise Group Plc (previously Sitowise Holding I Oy) and it is domiciled in Espoo, Finland. The Company is entered in the Finnish Trade Register maintained by the Finnish Patent and Registration Office (the "**Trade Register**") with the business ID 2767842-8 and LEI code 743700HOHMOHAANHFF73. The Company's registered address is Linnoitustie 6, FI-02600 Espoo, Finland and phone number +358 20 747 6000.

In accordance with section 2 of the Company's Articles of Association, the Company's field of business is to offer design and consulting services as well as digital solutions for built environment. The Company may practice its business through subsidiaries and holding companies. In addition, the field of business of the Company is to hold and own securities, shares, real estate and other assets in Finland and abroad directly or through other companies owned by it. The field of business of the Company is also to produce administrative, finance and other group services to its group companies and to grant security and guarantees on behalf of its group companies.

24.2 Share Information

24.2.1 General

The Company has four share classes, which carry different voting rights in the Company and different rights to distributions of funds. The Company's registered share capital at the date of this Offering Circular is EUR 80,000. As at the date of this Offering Circular, the Company does not hold its own shares. The Company's shares have no nominal value. The Company's shares are registered in the Finnish book entry system maintained by Euroclear Finland, and the ISIN codes of the share classes are FI4000480207 (class A1 shares), FI4000480215 (class A2 shares), FI4000480223 (class P1 shares) and FI4000480231 (class P2 shares).

As at the date of this Offering Circular, the Company has issued 47,348,856 shares, of which 9,430,120 are class A1 shares, 16,522,260 are class A2 shares, 12,879,032 are class P1 shares and 8,517,444 are class P2 shares. Pursuant to the Company's Articles of Association, each class A1 share carries 100 votes, each class A2 share carries 1 vote and class P1 and P2 shares do not have voting rights at the Company's General Meetings of Shareholders.

Class P1 shares and P2 shares (the "**Preferential Shares**") carry a preferential right in relation to class A1 and A2 shares to receive annually from the funds available for distribution a preferential sum corresponding to 6 percent of the subscription price of the Preferential Share (the "**Preferred Payment**"). When calculating the annually distributable Preferred Payment, any accrued unpaid Preferred Payment of the shares in question will not be added to the subscription price. If the Preferred Payment has not been paid for one or more years, the holders of the Preferential Shares shall be entitled to an amount equal to the accrued but unpaid Preferred Payment from the distributable funds of subsequent years before the payments to the holders of class A1 and A2 shares. The Preferential Shares do not entitle to other payments in connection with the distribution of the Company's funds.

The Board of Directors of the Company has decided on 11 March 2021 that the Company will apply for the listing of the Shares on the Official List of the Helsinki Stock Exchange. Trading in the Shares on the Helsinki Stock Exchange is expected to commence on the pre-list of the Helsinki Stock Exchange on or about 26 March 2021 and the official list on or about 30 March 2021. As of the Listing, the trading code for the Shares will be SITOWS and ISIN code of the Shares will be FI4000480215.

24.2.2 Historical Development of the Share Capital

A summary of the historical development of the Company's share capital and share number from 1 January 2018 to the date of this Offering Circular is presented in the table below.

Date of the decision	Arrangement(s)	Changes in the number of shares	Number of shares after the arrangement(s)	Share capital EUR	Date of Trade Register registration
8 February 2018	Share issue[1]	A2: 19,334 P1: 579,980 Total: 599,314	A1: 471,506 A2: 768,505 P1: 10,821,502 P2: 8,978,706 Total: 21,040,219	2,500	26 February 2018
14 February 2018 (cancellation) 12 March 2018 (share issue)	Cancellation of shares Share issue[2]	A2: (1,354) A2: 7,184 P1: (25,000) P1: 215,480 P2: (11,460) Total: 184,850	A1: 471,506 A2: 774,335 P1: 11,011,982 P2: 8,967,246 Total: 21,225,069	2,500	24 April 2018
1 June 2018 14 June 2018	Share issue[3]	A2: 7,129 P1: 213,812 Total: 220,941	A1: 471,506 A2: 781,464 P1: 11,225,794 P2: 8,967,246 Total: 21,446,010	2,500	2 July 2018
14 June 2018	Cancellation of shares	A2: (1,760) P1: (24,999) P2: (7,401) Total: (34,160)	A1: 471,506 A2: 779,704 P1: 11,200,795 P2: 8,959,845 Total: 21,411,850	2,500	28 August 2018
25 September 2018	Share issue[1]	A2: 303 P1: 9,122 Total: 9,425	A1: 471,506 A2: 780,007 P1: 11,209,917 P2: 8,959,845 Total: 21,421,275	2,500	26 October 2018
14 June 2018 (cancellation) 27 November 2018 14 December 2018 (share issue)	Cancellation of shares Share issue[4]	A2: (16,435) A2: 3,489 P1: (266,034) P1: 104,744 P2: (101,685) Total: (275,921)	A1: 471,506 A2: 767,061 P1: 11,048,627 P2: 8,858,160 Total: 21,145,354	2,500	15 January 2019
14 December 2018 20 December 2018	Share issue[1]	A2: 6,512 P1: 191,080 P2: 4,355 Total: 201,947	A1: 471,506 A2: 773,573 P1: 11,239,707 P2: 8,862,515 Total: 21,347,301	2,500	31 January 2019
20 December 2018 (cancellation) 31 January 2019 (share issue)	Cancellation of shares Share issue[2]	A2: (5,727) A2: 1,517 P1: (116,666) P1: 45,540 P2: (55,443) Total: (130,779)	A1: 471,506 A2: 769,363 P1: 11,168,581 P2: 8,807,072 Total: 21,216,522	2,500	25 February 2019
1 March 2019	Share issue[1]	A2: 4,603 P1: 138,069 Total: 142,672	A1: 471,506 A2: 773,966 P1: 11,306,650 P2: 8,807,072 Total: 21,359,194	2,500	20 March 2019
6 March 2019 19 March 2019 22 March 2019 16 April 2019	Cancellation of shares	A2: (30,968) P1: (197,341) P2: (746,753) Total: (975,062)	A1: 471,506 A2: 742,998 P1: 11,109,309 P2: 8,060,319 Total: 20,384,132	2,500	9 May 2019
31 January 2019 28 March 2019	Share issue[2]	A2: 11,590 P1: 305,242 Total: 316,832	A1: 471,506 A2: 754,588 P1: 11,414,551 P2: 8,060,319 Total: 20,700,964	2,500	17 May 2019
17 May 2019	Share issue[1]	A2: 46,706 P1: 472,043 P2: 929,122 Total: 1,447,871	A1: 471,506 A2: 801,294 P1: 11,886,594 P2: 8,989,441 Total: 22,148,835	2,500	23 May 2019

Date of the decision	Arrangement(s)	Changes in the number of shares	Number of shares after the arrangement(s)	Share capital EUR	Date of Trade Register registration
14 May 2019 29 May 2019	Cancellation of shares	A2: (20,329) P1: (333,118) P2: (166,535) Total: (519,982)	A1: 471,506 A2: 780,965 P1: 11,553,476 P2: 8,822,906 Total: 21,628,853	2,500	13 June 2019
27 June 2019	Share issue[1]	A2: 2,195 P1: 65,850 Total: 68,045	A1: 471,506 A2: 783,160 P1: 11,619,326 P2: 8,822,906 Total: 21,696,898	2,500	22 July 2019
27 June 2019	Share issue[2]	A2: 7,692 Total: 7,692	A1: 471,506 A2: 790,852 P1: 11,619,326 P2: 8,822,906 Total: 21,704,590	2,500	28 October 2019
23 September 2019 3 October 2019 30 October 2019	Share issue[2]	A2: 7,618 P1: 163,864 Total: 171,482	A1: 471,506 A2: 798,470 P1: 11,783,190 P2: 8,822,906 Total: 21,876,072	2,500	13 November 2019
29 November 2019	Share issue[1]	A2: 1,098 P1: 32,904 Total: 34,002	A1: 471,506 A2: 799,568 P1: 11,816,094 P2: 8,822,906 Total: 21,910,074	2,500	5 December 2019
20 December 2019	Share issue[1]	A2: 13,382 P1: 401,464 Total: 414,846	A1: 471,506 A2: 812,950 P1: 12,217,558 P2: 8,822,906 Total: 22,324,920	2,500	8 January 2020
31 December 2019	Share issue[5]	A2: 4,757 P1: 142,636 Total: 147,393	A1: 471,506 A2: 817,707 P1: 12,360,194 P2: 8,822,906 Total: 22,472,313	2,500	30 January 2020
12 November 2019 (cancellation) 31 December 2019 30 January 2020 28 February 2020 (share issue)	Cancellation of shares Share issue[2]	A2: (4,020) A2: 1,077 P1: (59,649) P1: 32,284 P2: (19,450) Total: (49,758)	A1: 471,506 A2: 814,764 P1: 12,332,829 P2: 8,803,456 Total: 22,422,555	2,500	25 March 2020
15 April 2020 23 April 2020 (cancellation) 25 June 2020 10 July 2020 (share issue)	Cancellation of shares Share issue[6]	A2: (1,513) A2: 9,684 P1: (34,361) P1: 290,488 P2: (10,680) Total: 253,618	A1: 471,506 A2: 822,935 P1: 12,588,956 P2: 8,792,776 Total: 22,676,173	2,500	7 September 2020
26 August 2020 1 September 2020 15 September 2020 27 October 2020 30 November 2020 (cancellation) 27 October 2020 6 November 2020 30 November 2020 (share issue)	Cancellation of shares Share issue[7]	A2: (20,630) A2: 14,336 P1: (370,631) P1: 430,046 P2: (126,776) Total: (73,655)	A1: 471,506 A2: 816,641 P1: 12,648,371 P2: 8,666,000 Total: 22,602,518	2,500	7 January 2021
31 December 2020	Share issue[1]	A2: 7,165 P1: 214,800 Total: 221,965	A1: 471,506 A2: 823,806 P1: 12,863,171 P2: 8,666,000 Total: 22,824,483	2,500	20 January 2021
29 January 2021 2 February 2021 (share issue) 14 January 2021 (cancellation)	Share issue[8] Cancellation of shares	A2: 8,154 A2: (223) P1: 244,920 P1: (6,692) Total: 246,159	A1: 471,506 A2: 831,737 P1: 13,101,399 P2: 8,666,000 Total: 23,070,642	2,500	12 February 2021

Date of the decision	Arrangement(s)	Changes in the number of shares	Number of shares after the arrangement(s)	Share capital EUR	Date of Trade Register registration
15 February 2021	Share issue[1] Cancellation of shares	A2: 3,014 A2: (16,279) P1: 90,525 P1: (311,350) P2: (148,556) Total: (382,646)	A1: 471,506 A2: 818,472 P1: 12,880,574 P2: 8,517,444 Total: 22,687,996	2,500	19 February 2021
12 February 2021	Subscription based on option rights	A2: 7,692 Total: 7,692	A1: 471,506 A2: 826,164 P1: 12,880,574 P2: 8,517,444 Total: 22,695,688	2,500	24 February 2021
17 February 2021	Cancellation of shares	A2: (51) P1: (1,542) Total: (1,593)	A1: 471,506 A2: 826,113 P1: 12,879,032 P2: 8,517,444 Total: 22,694,095	2,500	25 February 2021
1 March 2021	Increase in share capital Share issue without payment to class A1 and A2 shares (split)	A1: 8,958,614 A2: 15,696,147 Total: 24,654,761	A1: 9,430,120 A2: 16,522,260 P1: 12,879,032 P2: 8,517,444 Total: 47,348,856	80,000	2 March 2021

[1] A directed share issue against payment in connection with an acquisition.
[2] A directed share issue against payment in order to commit Sitowise's key persons.
[3] 3,334 A2 shares and 99,980 P1 shares were issued in a directed share issue against payment in connection with an acquisition. 3,795 A2 shares and 113,832 P1 shares were issued in a directed share issue against payment in order to commit Sitowise's key persons.
[4] 1,821 A2 shares and 54,626 P1 shares were issued in a directed share issue against payment in connection with an acquisition. 1,668 A2 shares and 50,118 P1 shares were issued in a directed share issue against payment in order to commit Sitowise's key persons.
[5] 3,537 A2 shares and 106,076 P1 shares were issued in a directed share issue against payment in connection with an acquisition. 1,220 A2 shares and 36,560 P1 shares were issued in a directed share issue against payment in order to commit Sitowise's key persons.
[6] 2,036 A2 shares and 61,128 P1 shares were issued in a directed share issue against payment in connection with an acquisition. 7,648 A2 shares and 229,360 P1 shares were issued in a directed share issue against payment in order to commit Sitowise's key persons.
[7] 12,335 A2 shares and 370,101 P1 shares were issued in a directed share issue against payment in connection with an acquisition. 2,001 A2 shares and 59,945 P1 shares were issued in a directed share issue against payment in order to commit Sitowise's key persons.
[8] 6,600 A2 shares and 198,090 P1 shares were issued in a directed share issue against payment in connection with an acquisition. 1,554 A2 shares and 46,830 P1 shares were issued in a directed share issue against payment in order to commit Sitowise's key persons.

In the above-described share issues, more than 10 percent of the P1 and P2 shares were paid in kind. Price per class A2 share paid in 2021 by the date of this Offering Circular was EUR 55.00–120.00 (average price EUR 92.33, excluding the share issue without payment decided on 1 March 2021), EUR 52.00–55.00 in 2020 (average price EUR 53.03), EUR 27.50–52.00 in 2019 (average price EUR 47.31), and EUR 30.00–35.90 in 2018 (average price 30.71). Price per class P1 and P2 share paid in 2018–2021 has been EUR 1.00.

24.2.3 Changes to the Shares prior to the Listing

The shareholders of the Company unanimously resolved on 3 March 2021 that the Company's class A1 and A2 shares will be combined into one single class of shares using a 1:1 conversion ratio and class P1 and P2 shares will be redeemed subject to the completion of the Listing. The redemption price of class P1 and P2 shares is maximum of EUR 21,396,476 and it will be paid from the fund for invested unrestricted equity either as redemption price or as capital repayment.

As at the date of this Offering Circular, the Company's Articles of Association include a redemption clause. The Company's shareholders resolved unanimously on 3 March 2021 to remove the redemption clause from the Articles of Association in connection with the Listing.

The combination of the share classes and the removal of the redemption clause will be notified to the Trade Register in connection with notifying the registration of New Shares to be issued in the Offering or immediately prior to such notification. If the New Shares are registered in more than one instalment, the combination of the share classes and the removal of the redemption clause will be notified to be registered in connection with the first registration notification regarding such New Shares, or immediately before it. The redemption of class P1 and P2 shares is executed immediately after the Board decision concerning the execution of the Listing, and cancellation of class P1 and P2 shares will be notified to the Trade Register in connection with it or immediately after.

The combination of the share classes also includes amending the Articles of Association according to which certain provisions related to the share classes and certain other rules are removed from the Company's Articles of Association, including the redemption clause included in the Articles of Association. The Company's amended Articles of Association, that will be registered immediately after the Board decision concerning the execution of the Listing and the redemption of class P shares, is attached to this Offering Circular (Annex B).

Following the combination of the share classes, the redemption and cancellation of class P1 and P2 shares and the removal of the redemption clause, the Company will have one share class and 25,952,380 Shares (excluding the New Shares to be issued in the Offering), each Share in the Company carries one vote at the General Meeting of Shareholders and provides equal rights to dividends and other distribution from the Company and the Shares in the Company are freely transferrable.

24.2.4 Valid Authorisations

By a unanimous resolution of the shareholders on 3 March 2021, the Board of Directors was granted the following authorizations:

- The Board of Directors has been authorized to decide on the issue a maximum of 14,000,000 new shares in one or several lots in the Offering. The share issue can be executed in deviation from the shareholders' pre-emptive subscription right (directed share issue), including the offering of shares to institutional investors and to the public as well as to the personnel and members of the Board of Directors of the Company, in connection with the potential Listing of the Company. Based on the authorisation, the Board of Directors can resolve on all terms and conditions of the share issue, including the subscription price or the subscription price range of the shares. The shares may be of any share class of the Company or, after the combination of share classes, the single share class of the Company. As part of the initial public offering of the Company, the shares can be offered to the personnel of members of the Board of Directors of the Company possibly at a lower subscription price than that payable by other investors. The authorisation will be effective until the end of the next Annual General Meeting, however no longer than until 30 June 2022.
- The Board of Directors has been authorized to decide on a share issue as well as the issuance of option rights special rights entitling to shares within the meaning of Chapter 10, Section 1 of the Finnish Companies Act in one or several lots. The authorisation 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 shares may be of any share class of the Company or, after the combination of share classes, the single share class of the Company. The Board of Directors of the Company is permitted to use this authorisation only if the Listing is completed. The Board of Directors is authorised to resolve on all other terms and conditions of the issuance of shares and of special rights entitling to shares. The authorisation will be effective until the end of the next Annual General Meeting, however no longer than until 30 June 2022.
- The Board of Directors has been authorized to decide on the acquisition of the Company's own shares. Based on the authorisation, 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 authorisation, 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 authorisation. The shares may be of any share class of the Company or, after the combination of share classes, the single share class of the Company. The Board of Directors of the Company is permitted to use this authorisation only if the Listing is completed. The authorisation will be effective until the end of the next Annual General Meeting, however no longer than until 30 June 2022.
- The Board of Directors has been authorized to decide on 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 total number of shares to be issued shall not exceed 1,463,400 shares. The shares to be issued based on the special rights may be of any share class of the Company or, after the combination of share classes, the single share class of the Company. The authorization may be used in order to

implement the incentive programs. The Board of Directors is authorised to resolve on all other terms and conditions of the issuance of special rights entitling to shares. The authorisation will be effective until the end of the next Annual General Meeting, however no longer than until 30 June 2022.

24.3 Shareholders' Rights

24.3.1 Shareholders' Rights Under New Shareholder Rights Directive

The European Union's Second Shareholder Rights Directive (EU) 2017/828, ("**SHRD II**") was implemented in Finland on 10 June 2019. New provisions of the SHRD II have resulted in amendments of the Finnish Companies Act and the Finnish Securities Markets Act, among others, and concerns publicly listed companies, institutional investors, asset managers and proxy advisors. In addition, the Finnish Corporate Governance Code has also been amended during 2019, and the amended Code has entered into force on 1 January 2020. The SHRD II seeks to strengthen the position of shareholders to have an effective say on related party transactions and directors' remuneration as well as to encourage the flow of information and increase transparency between a listed company and its shareholders. The core of the SHRD II consists of themes such as director remuneration, related party transactions, identification of shareholders and transmission of information, and transparency requirements for institutional investors, asset managers and proxy advisors. The new requirements have entered into force gradually during the years 2019 and 2020.

24.3.2 Pre-emptive Subscription Rights

Under the Finnish Companies Act, existing shareholders have pre-emptive right to subscribe for new Shares of the Company. A resolution to issue new Shares waiving pre-emptive rights as well as a resolution to grant option rights and other special rights entitling to the Company's Shares requires at least two-thirds of all votes cast and Shares represented at a General Meeting of Shareholders. In addition, such resolution requires that there is a weighty financial reason for the Company to do so. According to the Finnish Companies Act, a resolution on a share issue without payment waiving the shareholders' pre-emptive rights requires that there is an especially weighty reason for the Company and in regard to the interests of all shareholders in the Company.

Certain shareholders who reside or whose registered address is outside Finland, including "U.S. Persons" (as defined in Regulation S of the U.S. Securities Act), may not necessarily be able to exercise their pre-emptive subscription rights unless the Shares have been registered according to the securities legislation in effect in the relevant country or an exception from registration or other similar requirements is available.

24.3.3 General Meeting of Shareholders

Under the Finnish Companies Act, shareholders exercise their power to decide on corporate matters at General Meetings. According to the Company's Articles of Association, the Annual General Meeting shall be held annually within six months from the end of the financial year. The Annual General Meeting shall decide, among others, upon the approval of the financial statements, auditor's report, distribution of dividend and elections of members of the Board of Directors and the auditor and their remuneration. The Annual General Meeting decides also upon discharge of the Board of Directors and of the CEO from liability. Extraordinary General Meetings in respect of specific matters must be held when considered necessary by the Board of Directors, or when requested in writing by the auditor of the Company or by shareholders of the Company holding at least 10 percent of all the Shares of the Company.

According to the Finnish Companies Act and the Company's Articles of Association, the notice convening a General Meeting of Shareholders shall be delivered to the shareholders no more than three months and no less than three weeks before the meeting, however, at least nine days before the record date of the General Meeting of Shareholders. The notice shall be delivered to the shareholders with a notification published in the Company's website or at least in one national daily newspaper designated by the Board of Directors. To be entitled to attend the General Meeting of Shareholders, the shareholder shall notify his/her attendance to the Company at the latest by the date mentioned in the notice convening the meeting, which date may be no more than ten days before the General Meeting of Shareholders.

In order to have the right to attend and vote at a General Meeting of Shareholders, a shareholder must be registered, in accordance with the Act on the Book-entry System and Clearing Operations, in the shareholders' register maintained by Euroclear Finland no later than eight business days prior to the relevant General Meeting of

Shareholders (the record date of the General Meeting of Shareholders). A beneficial owner wishing to attend and vote at the General Meeting of Shareholders should seek a temporary registration in the shareholders' register. The notification of temporary registration should be made at the latest on the date mentioned in the notice to the General Meeting of Shareholders, which shall according to the Finnish Companies Act be after the record date of the General Meeting of Shareholders, and such notification is considered a notice of participation in the General Meeting of Shareholders. If the shareholder is participating in the General Meeting of Shareholders through several authorised representatives, the shareholder shall in connection with the notification notify the shares on the basis of which each authorised representative represents the shareholder.

Except for certain exceptions stipulated in the Finnish Companies Act, there are no quorum requirements for General Meetings of Shareholders.

24.3.4 Voting Rights

A shareholder may attend and vote at a General Meeting of Shareholders in person or through an authorised representative. After the combination of the share classes, each Share in the Company entitles its holder to one vote at a General Meeting of Shareholders. If the shareholder's shares are recorded on more than one book-entry account, the shareholder has the right to use a different authorised representative for each book-entry account. The shareholder may also vote differently with a part of his owned votes. In order to attend and vote at a General Meeting of Shareholders, a shareholder must be registered in the shareholders' register maintained by Euroclear Finland.

At the General Meeting of Shareholders, most resolutions are passed by a simple majority of the votes cast. However, certain resolutions, such as amending the Articles of Association, waiving shareholders' pre-emptive right to subscribe for shares in a new issue and resolutions on a merger, a demerger or dissolution of the Company require at least a two-thirds majority of the votes cast and the shares represented at the meeting.

24.3.5 Dividend and Distribution of Other Unrestricted Equity

A General Meeting of Shareholders decides on the payment of dividend and other distribution of funds by the majority of the votes cast. All Shares of the Company carry equal rights to dividends and other distributions by the Company. In accordance with prevailing practice in Finland, dividends on shares of a Finnish company are generally only paid annually and only after shareholder approval of the Company's financial statements and of the amount of the dividend proposed by the Board of Directors. However, under the Finnish Companies Act the General Meeting of Shareholders may also authorize the Board of Directors to resolve upon payment of dividends.

Under the Finnish Companies Act, shareholders' equity is divided into restricted and unrestricted equity. Restricted equity consists of the share capital, the fair value funds and the revaluation fund as well as any possible reserve fund and share premium fund formed subject to the old Finnish Companies Act effective prior to 1 September 2006. The other equity reserves are included in unrestricted equity. Accordingly, unrestricted equity includes the profit for the preceding financial year, retained earnings from previous financial years and the Company's other unrestricted equity, including the funds in the invested unrestricted equity fund, less the reported losses and the amount that the Articles of Association of the Company require to be left undistributed, and certain other undistributable funds.

The Finnish Companies Act emphasises the maintenance of the company's solvency in connection with the distribution of funds and, consequently, no funds may be distributed if, when making the decision on the distribution, the persons knew or should have known that the Company was insolvent or that it would become insolvent due to the distribution of the funds.

Under the Finnish Companies Act, the amount of dividend may not exceed the amount proposed or accepted by the Board of Directors. However, shareholders holding no less than 10 percent of all the shares may request at the Annual General Meeting that the amount distributed as dividend shall be at least one-half of the company's profit for the last preceding financial year, less the amount that the Articles of Association of the company may require to be left undistributed and any dividends previously distributed in respect of the financial year in question. However, the dividend so paid may neither exceed the amount distributable without the creditors' consent nor 8 percent of the total shareholders' equity of the parent company.

Dividends and other distributable funds can be distributed for a certain financial year after the General Meeting of Shareholders has adopted the financial statements for the year in question and resolved on the amount of dividends or other distribution of unrestricted funds on the basis of the proposal prepared by the Board of Directors. Pursuant to the Finnish Companies Act, payment of dividends or other distribution of unrestricted equity can be also based on other financial statements than the adopted financial statements for the latest financial year, provided that the General Meeting of Shareholders has adopted the financial statements in question. Significant changes in the Company's financial position that have occurred after the financial statements were prepared must be considered when deciding on the distribution of profits.

Under the Finnish Companies Act, dividends and other distributions are paid to shareholders or their nominees entered in the shareholders' register on the relevant record date. Such register is maintained by Euroclear Finland through the account operators. No dividends are payable to shareholders not entered in the shareholders' register.

The right to dividends is forfeited three years from when they are payable according to the decision on the dividend.

Distribution of other unrestricted equity is effected essentially in the same way as described above regarding the distribution of dividend.

For information on the taxation of dividends, see *"Taxation"*.

24.3.6 Obligation to Make a Mandatory Bid and Redemption Obligations and Rights

According to the Finnish Securities Market Act, a shareholder holding more than three-tenths or more than half of the voting rights attached to shares in a company after the shares or securities entitling to such shares of the company have entered into public trading, is obligated to make an offer for all such remaining shares and securities entitling to such shares in the company at fair value (mandatory bid). According to the Finnish Securities Market Act, the obligation to launch a mandatory bid shall, however, not arise if the securities resulting in the threshold referred to above being exceeded have been acquired through a voluntary takeover bid, provided that the initial voluntary takeover bid is made for all securities entitling to shares of the target company. Moreover, the obligation to launch a mandatory bid shall not arise if the exceeding of the threshold for a mandatory bid is caused solely by the actions of the target company or another shareholder. The obligation to launch a mandatory bid shall no longer exist if the person obliged to offer within a month from the emergence of the obligation gives up the share of voting rights exceeding the threshold for a mandatory bid by assigning shares of the target company or otherwise decreasing its share of voting rights in the target company.

Under the Finnish Companies Act, a shareholder holding shares representing more than 90 percent of all the shares and votes in a company has the right to redeem the remaining shares in the company at fair market value (squeeze-out). In addition, a shareholder whose shares can be redeemed in the above manner is entitled to demand redemption of his/her shares from the majority shareholder entitled to exercise redemption (sell-out).

As at the date of this Offering Circular, the Company's Articles of Association include a redemption clause. The Company's shareholders resolved unanimously on 3 March 2021 to remove the redemption clause from the Articles of Association conditional upon the execution of the Listing. The removal of the redemption clause will be notified to the Trade Register in connection with notifying the registration of New Shares to be issued in the Offering based on the share issue authorization granted to the Company's Board of Directors in the same resolution or immediately prior to such notification.

24.3.7 Dilution of Ownership

To the extent that a shareholder decides not to subscribe for the full amount of new Shares, or is restricted from subscribing, the proportionate ownership and voting interest in the Company of such shareholder will be diluted accordingly and such shareholder's original share percentage of the increased amount of all Shares issued by the Company will be proportionally reduced. See also "*Plan of Distribution – Dilution of Ownership*"

24.3.8 Transfer of Shares

When the shares are sold through the book-entry system, the shares are transferred as a bank transfer from the seller's book-entry account to the buyer's book-entry account. For the purpose of the sales, allocation data is entered in the Infinity 2 clearing system of Euroclear Finland and, if necessary, a reservation regarding the book-entries is entered in the book-entry account. The purchase is marked as a pre-sale until it has been cleared and the shares have been paid, after which the buyer is automatically entered in the Company's shareholders' register. If the shares are nominee registered and the shares of both seller and buyer are held in the same custodial nominee accounts, the sale of shares does not cause any notes on the book-entry system unless the nominee registration custodian is changed or the shares will not be transferred from the custodial nominee account as a result of the sale.

The terms and conditions of the Offering include lock-up clauses regarding the Company, the Sellers, the Company's Board of Directors and management, current shareholders as well as the employees participating the Personnel Offering. For more information on the lock-ups, see "*Plan of Distribution – Lock-up*" and "*Terms and Conditions of the Offering – General Terms and Conditions of the Offering – Lock-up*".

24.3.9 Exchange Control

Foreign people can acquire shares of a Finnish company without any specific exchange control authorisation. Foreign people can also receive dividend without any specific exchange control authorisation, but the company distributing the dividend must deduct the tax-at-source from the assets transferred outside Finland, unless otherwise stated in an applicable tax treaty. Foreign people who have acquired shares of a Finnish company may receive shares in connection with a capitalisation or participate in a rights issue without any specific exchange control authorisation. Foreign people may sell their shares in a Finnish company in Finland and the assets acquired in connection with such sale can be transferred outside Finland in any convertible currency. There are no exchange control rules in Finland which would restrict the selling of shares of a Finnish company to another foreign person.

25. PLAN OF DISTRIBUTION

25.1 Placing Agreement

Carnegie and Danske are acting as Joint Global Coordinators for the Offering. The Company, Intera and the Joint Global Coordinators are expected to enter into a placing agreement (the "**Placing Agreement**") on or about 25 March 2021. In the Placing Agreement, the Company will agree to issue the New Shares and Intera will agree to sell the Sale Shares to subscribers or purchasers procured by the Joint Global Coordinators, and each of the Joint Global Coordinators, severally will agree to procure subscribers or purchasers for New Shares and Sale Shares, provided certain conditions are fulfilled.

The Placing Agreement will include customary conditions that entitle the Joint Global Coordinators to terminate the Placing Agreement in certain situations and with certain preconditions. Such situations include certain material adverse changes in Sitowise's condition (financial, legal or otherwise), results of operations, or Sitowise's prospects, as well as certain changes in, among others, national or international political or economic conditions. Furthermore, the Company and Intera will give customary representations and warranties to the Joint Global Coordinators related to, among others, their respective businesses, compliance with laws and regulations, the Shares and the content of this Offering Circular. According to the Placing Agreement, the Company and Intera severally will commit, among others, to indemnify the Joint Global Coordinators for certain costs and liabilities and to reimburse the Joint Global Coordinators for certain costs incurred in connection with the Offering.

The Offering consists of (i) the Public Offering; (ii) the Institutional Offering and (iii) the Personnel Offering. In the Institutional Offering, the Offer Shares are being offered for subscription to institutional investors in Finland and internationally in certain countries outside the United States. The Offer Shares have not been, and will not be, registered in under the U.S. Securities Act. The Offer Shares are being offered outside the United States in compliance with Regulation S.

Other Sellers than Intera are not parties to the Placing Agreement, but they have each made a sales commitment to the Joint Global Coordinators with regard to the Offering.

25.2 Over-allotment Option

Intera is expected to grant to the Joint Global Coordinators an over-allotment option, exercisable by Danske on behalf of the Joint Global Coordinators, to purchase a maximum of 2,558,750 additional Shares at the Subscription Price (the "**Additional Shares**") solely to cover over-allotments in connection with the Offering (the "**Over-allotment Option**"). The Over-allotment Option is exercisable within 30 days from the commencement of trading in the Shares on the prelist of the Helsinki Stock Exchange (*i.e.*, on or about the period between 26 March 2021, and 25 April 2021) (the "**Stabilisation Period**"). The Additional Shares represent approximately 9.9 percent of the Shares and votes vested by the Shares prior to the Offering and approximately 7.3 percent after the Offering assuming that the Sellers will sell the maximum number of Sale Shares and that the Company will issue 9,176,341 New Shares. However, the number of Additional Shares will not in any case represent more than 15 percent of the aggregate number of New Shares and Sale Shares.

25.3 Stabilisation Measures

Danske, acting as stabilising manager (the "**Stabilising Manager**"), may, but is not obligated to, engage in measures during the Stabilisation Period that stabilise, maintain or otherwise affect the price of the Shares. The Stabilising Manager may allocate a larger number of Shares than the total number of New Shares and Sale Shares, which will create a short position. The short position will be covered if it does not exceed the number of Additional Shares. The Stabilising Manager is entitled to close the covered short position by exercising the Over-allotment Option and/or by buying Shares in the market. In determining the acquisition method of the Shares to cover the short position, the Stabilising Manager may consider, among other things, the market price of the Shares in relation to the Subscription Price. In connection with the Offering, the Stabilising Manager may also bid for and purchase Shares in the market to stabilise the market price of the Shares. These measures may raise or maintain the market price of the Shares in comparison with the price levels determined independently on the market or may prevent or delay any decrease in the market price of the Shares. However, stabilisation measures cannot be carried out at a price higher than the Subscription Price. The Stabilising Manager has no obligation to carry out these measures, and it may stop any of these measures at any time. The Stabilising Manager or the Company on behalf of the

Stabilising Manager will publish information regarding the stabilisation required by legislation or other applicable regulations at the end of the Stabilisation Period.

Any stabilisation measures will be conducted in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (the "**Market Abuse Regulation**") and Commission Delegated Regulation (EU) 2016/1052 supplementing the Market Abuse Regulation with regard to regulatory technical standards for the conditions applicable to buy-back programs and stabilisation measures.

The Stabilising Manager and Intera may enter into a share lending agreement related to stabilisation and the Over-allotment Option in connection with the Offering. According to the share lending agreement, the Stabilising Manager may borrow a number of Shares equal to the maximum number of Additional Shares to cover any possible over-allotments in connection with the Offering. To the extent that the Stabilising Manager borrows Shares pursuant to the share lending agreement, it must return an equal number of Shares to Intera.

25.4 Lock-up

The Company and Intera are expected to commit during the period that will end 180 days from the Listing, without the prior written consent of the Joint Global Coordinators, not to issue, offer, hypothecate, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of (or publicly announce such action), directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for Shares, or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise, or submit to the Company's shareholders a proposal to effect any of the foregoing. The lock-up does not apply to the measures related to the execution of the Offering. The Joint Global Coordinators have agreed to waive the Company's lock-up in connection with M&A transactions entered into prior to the end of the lock-up period, provided that the aggregate number of new Shares issued by the Company shall not exceed 5 percent of the Shares (calculated based on the number of Shares outstanding following the Offering), and that the remaining lock-up period will apply to such new Shares.

The members of the Board of Directors and the management team of the Company are expected to commit to a lock-up agreement with similar terms to that of the Company and Intera that will end on the date that falls 360 days from the Listing.

The Sellers (excluding Intera) and certain other shareholders have agreed to comply with a lock-up agreement with similar terms to that of the Company and Intera that will end on the date that falls either 180 or 360 days from the Listing.

According to the terms and conditions of the Personnel Offering, the personnel participating in the Personnel Offering must agree to comply with the lock-up with similar terms to that of the Company and the Sellers that will end on the date that falls 360 days from the Listing.

In aggregate, the terms of lock-up agreements apply to approximately 52.3 percent of the Shares after the Offering without the Over-allotment Option and the possible New Shares subscribed for by the members of the Board of Directors and the management team in the Public Offering (approximately 45.0 percent with the Over-allotment Option) assuming that the Sellers will sell the maximum number of Sale Shares and that the Company will issue 9,176,341 New Shares.

25.5 Subscription Undertakings

Funds managed and advised by Capital World Investors, Didner & Gerge Fonder, Evli Fund Management Company Ltd, Ilmarinen Mutual Pension Insurance Company, Lannebo Fonder AB and Paradigm Capital Value Fund (the "**Cornerstone Investors**"), have each individually given subscription undertakings in relation to the Offering, under which the Cornerstone Investors have, each individually, committed to subscribe for Offer Shares at the Subscription Price, subject to certain conditions being fulfilled, including a condition that the maximum valuation of all of the Company's outstanding Shares (after any proceeds from the Share Issue), based on the Subscription Price, does not exceed EUR 288 million. According to the terms and conditions of the subscription undertakings, the Cornerstone Investors will be guaranteed the number of Offer Shares covered by the subscription undertaking. The Cornerstone Investors will not be compensated for their subscription undertakings.

The Cornerstone Investors have given subscription undertakings as follows:

- The commitment of the funds' managed and advised by Capital World Investors undertaking amounts to USD 15 million.
- The commitment of Didner & Gerge Fonder's undertaking amounts to EUR 12 million.
- The commitment of Evli Fund Management Company Ltd's undertaking amounts to EUR 12 million.
- The commitment of Ilmarinen Mutual Pension Insurance Company's undertaking amounts to EUR 14 million.
- The commitment of Lannebo Fonder AB's undertaking amounts to EUR 15 million.
- The commitment of Paradigm Capital Value Fund's undertaking amounts to EUR 10 million.

The subscription undertakings of the Cornerstone Investors represent approximately 54.1 percent of the Offer Shares assuming that the Over-allotment Option will not be exercised (approximately 47.0 percent assuming that the Over-allotment Option will be exercised in full), and assuming that the Sellers will sell the maximum amount of Sale Shares and that the Company will issue 9,176,341 New Shares[95].

25.6 Dilution of Ownership

As a result of the issue of New Shares in the Offering, the number of Shares in the Company may increase to 35,128,721 Shares assuming that all of the New Shares preliminarily offered in the Offering are offered and subscribed for in full. If the existing shareholders of the Company would not subscribe for the Offer Shares in the Share Issue, the total ownership of the existing shareholders would therefore dilute with approximately 26.1 percent.

The Company's equity per share as at 31 December 2020 was EUR 53.1[96]. The Subscription Price of the Offer Shares is 8.20 per Offer Share.

25.7 Fees and Expenses

The Company and the Sellers will commit to pay to the Joint Global Coordinators a base fee for the services provided in connection with the Offering, which will be based on the gross proceeds from the Offer Shares (including the Additional Shares). In addition, the Company and the Sellers may, in the discretion of the Company and Intera, pay the Joint Global Coordinators a discretionary fee based on the based on the gross proceeds from the Offer Shares (including the Additional Shares). In the Placing Agreement, the Company and Intera will also undertake to reimburse the Joint Global Coordinators for certain expenses.

The Company estimates that the fees and expenses payable by it in relation to the Offering will amount to approximately EUR 6.3 million (assuming that the Company will receive EUR 75 million gross proceeds and the discretionary fee is paid in full), and the fees to be paid by the Sellers in connection with the Offering are expected to amount to approximately EUR 2.7 million (assuming that the Sellers sell the maximum amount of Sale Shares and the Over-allotment Option would not be used and the discretionary fee would be paid in full).

25.8 Interests Related to the Offering

The fees to be paid to the Joint Global Coordinators are, in part, linked to the gross proceeds from the Offering.

[95] With regard to the undertaking of the funds managed and advised by Capital World Investors, the exchange rate used in the calculation is EUR = USD 1.1866.

[96] Calculated with the total number of outstanding class A1 and A2 shares as at 31 December 2021 (1,257,532).

The Joint Global Coordinators, as well as other entities in the same groups, may purchase and sell the Shares for their own or their customers' account prior to, during and after the Offering subject to applicable legislation and regulations.

The Joint Global Coordinators, as well as other entities in the same groups, have provided and may in the future provide to the Company investment or other banking services in accordance with their ordinary business.

The Sellers will sell Sale Shares in the Offering. For more information on the Sellers, see Annex A.

26. FINNISH SECURITIES MARKET

The following summary is a general description of the Finnish securities market and it is based on the laws in force in Finland on the date of this Offering Circular. The following summary is not exhaustive.

26.1 General

The securities market in Finland is supervised by the FIN-FSA. The primary laws governing securities markets are the Finnish Securities Market Act (746/2012, as amended), which contains provisions in respect of, among others, company and shareholder disclosure obligations, prospectus requirements and public tender offers, the Prospectus Regulation ((EU) 2017/1129), containing regulation relating to, among others, on the duty to prepare a prospectus and its contents, as well as the Market Abuse Regulation (EU) No 596/2017 containing regulation relating to, among others, disclosure of inside information and the obligation of the issuer's management to notify transactions. The regulation governing admission of securities and other financial instruments to public trading and trading in listed financial instruments is compiled under the Act on Trading in Financial Instruments (1070/2017, as amended). The role of the FIN-FSA is to monitor compliance with these provisions. The FIN-FSA may issue further detailed regulation based on delegation of authority under the Finnish Securities Market Act and other laws that entitle it to do so.

The Finnish Securities Market Act and the Market Abuse Regulation specify minimum disclosure requirements for companies applying to have their shares listed on the Helsinki Stock Exchange or whose securities are publicly traded or who offer their securities to the public. Insider information must be made public in a manner which enables fast access and complete, correct and timely assessment of the information by the public. A Finnish listed company, i.e. a company that has issued shares that are traded in a regulated market, is under an obligation to regularly publish financial information on the company as well as to inform the markets of any matters concerning the company which, if made public, would be likely to have a significant effect on the price of the financial instruments of the issuer.

A shareholder is required to notify, without undue delay, a Finnish listed company and the FIN-FSA when its voting rights in, or its percentage ownership of the total number of shares of such Finnish listed company reaches, exceeds or falls below 5, 10, 15, 20, 25, 30, 50 or 90 percent or two thirds (66.67 percent), calculated in accordance with the Finnish Securities Markets Act (flagging notification). A flagging notification must also be made when a shareholder is entitled to acquire, on the basis of a financial instrument, a number of shares that will reach, exceed or fall below the flagging threshold described above or, when the combined ownership share based either on direct holding or holding through financial instruments reaches, exceeds or falls below the flagging threshold described above. In this connection, the definition of financial instrument also refers to such financial instruments the value of which is determined on the basis of the company's share and which have a similar economic effect as a financial instrument that entitles its holder to receive the company's shares. A flagging notification must be made regardless of whether the underlying asset of the financial instrument will be settled physically or in cash. The notification must be submitted without an undue delay, however no later than on the following trading day after the shareholder was informed or should have known about such a change in the shareholder's voting rights or ownership. The shareholder shall be deemed to have been informed of the said transaction no later than two trading days after the transaction. When a listed company has received the above-mentioned information, it must disclose the information in a stock exchange release.

According to the Finnish Securities Market Act, a shareholder, whose holding increases to more than 30 percent or more than 50 percent of the voting rights attached to shares in a company after the shares or securities entitling to such shares in the company have been entered into public trading on the regulated market, is obligated to make a public offer for all remaining shares and securities entitling to such shares in the company at fair value (mandatory takeover bid). Under the Finnish Companies Act (624/2006, as amended), a shareholder holding shares representing more than 90 percent of all the shares and votes in a company has the right to redeem the remaining shares in the company at fair value (right of squeeze-out). In addition, a shareholder whose shares may be redeemed in the above-mentioned manner is entitled to demand redemption from the majority shareholder entitled to exercise redemption (right of sell-out). Detailed rules apply to the calculation of the proportions of shares and votes discussed above.

According to the Finnish Securities Market Act, a Finnish listed company shall directly or indirectly belong to an independent body representing the economy on a wide basis and established in Finland, which has issued a recommendation to promote compliance with good securities markets practice on the actions of the management of the offeree company with regard to a takeover bid (the "**Helsinki Takeover Code**"). According to the Finnish Securities Market Act, a listed company must provide an explanation for not committing to complying with the Helsinki Takeover Code.

The Financial Supervisory Authority must be notified of net short positions in shares listed on the Helsinki Stock Exchange in accordance with the Regulation (EU) No 236/2012 of the European Parliament and of the Council on short selling and certain aspects of credit default swaps. The obligation to notify net short positions applies to all investors and market participants. A net short position in relation to the shares of a company that has shares admitted to trading on a regulated market must be disclosed where the position reaches, exceeds or falls below the threshold of 0.2 percent of the target company's issued share capital. A new notification must be submitted for each 0.1 percent above the threshold. The FIN-FSA will publish any notified net short position that reaches, exceeds or falls below the threshold of 0.5 percent of the target company's issued share capital on its website.

The Finnish Penal Code (39/1889, as amended), contains provisions relating to breach of disclosure requirements, the misuse of inside information, unauthorized disclosure of inside information and market manipulation. Acts described in such provisions have been criminalized. Pursuant to Market Abuse Regulation, the Finnish Securities Markets Act and the Finnish Act on the Financial Supervisory Authority (878/2008, as amended), the FIN-FSA has the right to impose administrative sanctions for breach of provisions relating to, among others, disclosure requirements, misuse of inside information, market manipulation and the obligation of issuer's management to notify transactions, with the exception of situations where preliminary investigation, consideration of charges or a pending criminal case in a court of law against the party in breach of such regulations is ongoing in relation to the same offence, or where the party has received a non-appealable sentence for the same act. The FIN-FSA can, for example, issue a public warning, prohibit the person involved to trade securities or impose administrative fines or penalty payments. The disciplinary board of the Helsinki Stock Exchange may give a warning or note or impose a disciplinary fine or order the company to be removed from the official list.

26.2 Trading and Settlement on the Helsinki Stock Exchange

Share trading on the Helsinki Stock Exchange occurs through automatic order matching. In carrying out share trades, the Helsinki Stock Exchange uses the INET Nordic trading platform, which is an order-based system in which buy and sell orders are matched as trades when the price and the volume information tally. In the INET Nordic trading platform, the trading day consists, as a general rule, of the following main phases: pre-trading, continuous trading, the closing auction and post-trading.

During the pre-trading session from 9:00 a.m. to 9:45 a.m., orders may be entered, changed or deleted. The opening call begins at 9:45 a.m. and ends at 10:00 a.m. Round lot orders entered during the pre-trading phase and existing orders that may be valid for more than one day are automatically transferred into the opening call. Continuous trading takes place between 10:00 a.m. and 6:25 p.m. Continuous trading begins sequentially immediately after the end of the opening call at 10:00 a.m., at which time the first share's opening price is determined, after which continuous trading in said share commences. Approximately ten minutes later, the opening prices of all the shares have been determined and trading based on market demand continues until 6:25 p.m. The closing auction begins at 6.25 p.m. and ends at approximately 6:30 p.m., when the closing prices are determined and when continuous trading ends as well. In post-trading between 6:30 p.m. and 7:00 p.m., the only trades that may be registered are contract trades for shares in after-hours trading. The shares will be registered at prices established during the trading day.

Trades are primarily cleared in Euroclear Finland's automated clearing and settlement system (Infinity system) on the second (2nd) banking day after the trade date (T+2) unless otherwise agreed by the parties.

Trading in securities on the Helsinki Stock Exchange and clearing of trades in Euroclear Finland takes place in euros, with the minimum tick size for trading quotations depending on the tick size table and being a minimum of EUR 0.0001. The price information is produced and published only in euros.

26.3 The Finnish Book-Entry Securities System

26.3.1 General

Any issuer established in the European Union that issues or has issued transferable securities which are admitted to trading or traded on trading venues, shall arrange for such securities to be represented in book-entry form. An issuer has the right to choose the central securities depository where the securities are admitted to trading. In Finland, the book-entry system is maintained by Central Securities Depository. In Finland, on the date of this Offering Circular, the Central Securites Depository is Euroclear Finland. Euroclear Finland maintains a book-entry securities register for both equity and debt securities. The registered office of Euroclear Finland is located at Urho Kekkosen katu 5C, FI-00100, Helsinki.

The Finnish Central Securities Depository keeps company-specific shareholder registers of the shareholders of companies on behalf of issuers. According to the Regulation (EU) No 909/2014, Central Securities Depositories are not obliged to offer shareholders book-entry accounts free of charge and sponsored by issuers, but a Central Securities Depository may offer such accounts based on a voluntary business decision. The account operators, which consist of, among others, banks, investment services companies and other institutions licensed to act as clearing parties by the Central Securities Depository, are entitled to make entries in the book-entry register and administer the book-entry accounts.

26.3.2 Registration

Shareholders of all companies entered into the book-entry securities system must establish a book-entry account with an account operator or register its securities through nominee registration in order to effect share entries. A Finnish shareholder may not hold his or her shares through a nominee registered account in the Finnish book-entry system. For shareholders who have not transferred their shares into book-entries, a joint book-entry account shall be opened with Euroclear Finland and the issuer is entered as the account holder. All transactions in securities registered with the book-entry securities system are executed as computerized book-entry transfers. The account operator confirms book-entry transfers by sending notifications of all transactions to the holder of the respective book-entry account. The account holders also receive an annual statement of their holdings as of the end of each calendar year.

Each book-entry account must give the particulars of the account holder and other holders of rights to the book-entries in the account or of the custodial account holder who manages the assets in the nominee-registered account, as well as information on the account operator for the account. The required information includes the type and number of the book-entry securities registered in the account as well as the rights and restrictions pertaining to the account and the book-entries. Any nominee-registered account must be identified when making entries in the account. Euroclear Finland and all the account operators are responsible for maintaining the confidentiality of the information they receive. However, a company must keep the shareholders' register accessible to everyone at the head office of the company or, if the company's shares are incorporated in the book entry system, at the registered office of the Central Securities Depository in Finland. The FIN-FSA is entitled to receive certain information on nominee registrations upon request.

Each account operator is liable for possible errors and omissions in the book-entry registers maintained by it and for any breach of data protection. However, if an account holder has suffered loss as a result of a faulty registration and the account operator is unable to compensate such a loss, such account holder is entitled to receive compensation from the statutory registration fund of Euroclear Finland. The capital of the registration fund must be at least 0.0048 percent of the average of the total market value of the book-entries kept in the book-entry securities system during the last five (5) calendar years and it must be no less than EUR 20 million. The compensation to be paid to one injured party shall be equal to the amount of damage suffered by such an injured party from a single account operator, subject to a maximum amount of EUR 25,000. The liability of the registration fund to pay damages in relation to each incident is limited to EUR 10 million.

26.3.3 Custody of Securities and Nominee Registration

According to the Finnish laws, a non-Finnish shareholder may appoint an account operator (or certain non-Finnish organizations approved by the Central Securities Depository) to act as a custodial nominee account holder on its behalf. In some cases, nominee-registration of Finnish shareholders abroad may be possible by virtue of the Regulation (EU) No 909/2017 of the European Parliament and of the Council or other EU regulation or, if a Finnish company issues its shares in another EU country. A nominee-registered shareholder is entitled to receive dividends and to exercise all share subscription rights and other financial and administrative rights attached to the shares held in its name. A nominee-registered shareholder wishing to attend a General Meeting of Shareholders should seek a temporary registration in the shareholders' register. The notification of the temporary registration shall be made at the latest on the date set out in the notice to the General Meeting, which shall be after the record date of the General Meeting. A custodial nominee account holder or another nominee is required to disclose to the FIN-FSA and to the relevant issuer, upon request, the actual identity of the shareholder of any shares registered in the name of such a nominee, where the nominee-registered shareholder is known, as well as the number of shares owned by such nominee-registered shareholder. If the name of the nominee-registered shareholder is not known, the nominee is required to disclose said information in respect of the representative acting on behalf of the nominee-registered shareholder and to submit a written declaration to the effect that the actual shareholder is not a Finnish natural person or legal entity.

Finnish depositories for both Euroclear Bank, S.A./N.V. – as operator of Euroclear Finland – and Clearstream have custodial accounts within the book-entry securities system and, accordingly, non-Finnish shareholders may hold their shares listed on Helsinki Stock Exchange in their accounts in Euroclear Bank, S.A./N.V. and in Clearstream.

Shareholders wishing to hold their shares in the book-entry securities system in their own name but who do not maintain a book-entry account in Finland are required to open a book-entry account with an account operator as well as a bank account denominated in euros in Finland.

26.4 Compensation Fund for Investors

Under Finnish law, investors are divided into professional and non-professional investors. The definition of professional investors includes business enterprises and public entities which can be deemed to know the securities markets and the risks related thereto. A customer may also declare in writing that, on the basis of his or her professional skills and experience in investment activities, he or she is a professional investor. However, private investors are generally considered to be non-professional investors.

Credit institutions and such investment services companies managing or retaining clients' assets that do not provide solely intermediation or investment advisory services or organizing of multilateral trading must belong to a compensation fund for investors. The compensation fund safeguards payment of clear, indisputable receivables that are due when an investment services company or a credit institution, for a reason other than temporary insolvency, is not capable of paying the claims of investors within a determined period of time. Only claims of non-professional investors are paid by the compensation fund. An investor is paid 90 percent of the investor's receivable, subject to a maximum amount of EUR 20,000. The compensation fund does not compensate for losses due to a fall in equity prices or incorrect investment decisions, whereby the customer is still responsible for the consequences of his or her investment decisions. If a bank becomes insolvent, customers of a credit institution shall be compensated from the Deposit Guarantee Fund for claims up to EUR 100,000. The funds of an investor are safeguarded either through the Deposit Guarantee Fund or the compensation fund. Accordingly, the same funds of an investor do not benefit from double protection.

27. TAXATION

The following summary is based on the tax laws of Finland as in effect on the date of this Offering Circular, and is subject to changes in Finnish law, including changes that could have a retroactive effect on taxation. The following summary is not exhaustive and does not take into account or deal with the tax laws of any country other than Finland. Prospective investors are advised to consult their own professional tax advisors as to the Finnish or foreign tax consequences of the Offering and the purchase, ownership and disposition of the Shares. The tax laws of other jurisdictions may have an effect on the prospective investor and on the possible income of the Shares, and prospective investors should consult their tax advisors with respect to the tax consequences applicable to their particular circumstances.

27.1 Finnish taxation

The following is a description of the material Finnish income tax consequences that may be relevant with respect to this Offering. The following description of Finnish domestic tax legislation relating to dividend distributions and capital gains arising from the sale of Shares is applicable to natural persons and limited liability companies both resident and non-resident in Finland.

The following description does not address tax considerations applicable to the holders of the Shares that may be subject to special tax rules, including, among others, different restructurings of corporations, controlled foreign corporations (CFC), non-business carrying entities, income tax-exempt entities or general or limited partnerships. Furthermore, this description addresses neither Finnish inheritance nor gift tax consequences.

This description is based on:

- The Finnish Income Tax Act (1535/1992), as amended;
- The Finnish Business Income Tax Act (360/1968), as amended;
- The Finnish Act on Taxation Procedure (1558/1995), as amended;
- The Finnish Act on Taxation of Non-residents (627/1978), as amended; and
- The Finnish Transfer Tax Act (931/1996), as amended.

In addition, relevant case law as well as decisions and statements made by the tax authorities in effect and available on the date of this Offering Circular have been taken into account.

All of the foregoing is subject to change, which could apply retroactively and could affect the tax consequences described below.

27.2 General

Residents and non-residents of Finland are treated differently for tax purposes. The worldwide income of persons resident in Finland is subject to taxation in Finland. Non-residents are taxed on Finnish source income only. In addition, any income received by a non-resident from a permanent establishment in Finland is subject to taxation in Finland. Finnish tax treaties may limit the applicability of the domestic tax legislation and also the right to tax the non-resident's income that is received from Finland.

Generally, an individual is deemed a resident of Finland if such individual stays in Finland for more than six consecutive months or if the permanent home and dwelling of such individual is in Finland. Earned income, including salary, is taxed at progressive rates. Capital income is currently taxed at a rate of 30 percent. However, if the capital income exceeds EUR 30,000 during the calendar year, the tax for the exceeding amount is 34 percent. Corporate entities established under the laws of Finland and foreign entities with the effective place of management in Finland are regarded as residents of Finland and are subject to corporate income tax on their worldwide income. Currently, the corporate income tax rate is 20 percent.

The following is a summary of certain Finnish tax consequences relating to the purchase, ownership and disposal of the Shares by Finnish resident and non-resident shareholders.

27.3 Personnel Offering

If an employer offers its employees shares at a reduced subscription price, maximum of 10 percent discount is not deemed as taxable benefit (Chapter 4, Section 66 of the Finnish Income Tax Act), provided that the shares are offered to the majority of the employees. According to the Supreme Administrative Court's recent precedent KHO 2021:25, Section 66 of the Finnish Income Tax Act applies to the subscription of new and existing shares of the company. The discount is the difference between the market price and the subscription price.

Discount on subscription price of shares exceeding 10 percent is considered as taxable earned income of the employee and the tax of such income is withheld correspondingly to salary. The discount provided in personnel offering is in general exempted from social security and pension contributions. The employee health insurance premium is, however, payable on the taxable part of the benefit.

27.4 Taxation of dividends and equity returns

Distribution of funds from unrestricted equity fund (Chapter 13, Section 1, subsection 1 of the Finnish Companies Act) by a public listed company as defined in the Finnish Income Tax Act Section 33 a, subsection 2 ("**Listed Company**") is taxed as distribution of dividends. Therefore, the following applies also to the distribution of funds from unrestricted equity funds of the Company.

27.4.1 Resident individuals

85 percent of dividends paid by a Listed Company to an individual shareholder is considered capital income of the recipient, taxable at the rate of 30 percent (however, if the overall capital income exceeds EUR 30,000 during the calendar year, the tax for the exceeding amount is 34 percent) while the remaining 15 percent is tax-exempt.

A Listed Company distributing dividends is obligated to withhold tax in advance from dividends paid to resident individuals. Currently, the amount of the tax withheld in advance is 25.5 percent of the amount of the dividend paid. The advance tax withheld by the distributing company is credited against the final tax payable by the individual shareholder for the dividend received. Where shares are held through a nominee account by a Finnish resident individual the withholding rate is 50 percent. Resident individuals must review their pre-completed tax form to confirm that the received dividend income during the tax year is correct. If necessary, the taxpayer must report the correct amount of dividend income and the amount of prepaid income tax to the tax authorities, should these amounts be incorrectly entered on the pre-completed tax form.

27.4.2 Finnish limited liability companies

Dividends received by a Listed Company from another Listed Company are generally tax-exempt. However, in case the shares are included in the investment assets of the shareholder (only financial, insurance and pension institutes may have investment assets referred to in this context), 75 percent of the dividend is taxable income while the remaining part of the dividend is tax-exempt.

Dividends received by a non-listed Finnish company from a Listed Company are generally taxable income with respect to 100 percent of the dividend. However, in cases where the non-listed company directly owns 10 percent or more of the share capital of the Listed Company distributing the dividend, the dividend received on such shares is tax-exempt provided that the shares are not included in the investment assets of the shareholder. If the shares are included in the investment assets of the shareholder, 75 percent of the dividend is taxable income while the remaining part of the dividend is tax-exempt.

Where shares are held through a nominee account by a Finnish resident company the withholding rate is 50 percent.

27.4.3 Non-residents

Dividends paid by a Finnish company to non-residents are subject to Finnish withholding tax. The withholding tax as a final tax at source is withheld by the company distributing the dividend at the time of the dividend payment. The withholding tax rate for a dividend received by a non-resident individual shareholder is 30 percent whereas the withholding tax rate for a dividend received by a non-resident company is 20 percent unless otherwise set forth in an applicable tax treaty. Starting 1 January 2021, the rate is generally 35 percent for dividends paid by a Finnish resident Listed Company to nominee registered shares, as described further below.

Finland has entered into double tax treaties with many countries pursuant to which the withholding tax rate on dividends paid to persons entitled to the benefits under such treaties is reduced. For example, in the case of the treaties with the following countries, Finnish withholding tax rate regarding dividends of portfolio shares is generally reduced to the following percentages: Austria: 10 percent; Belgium: 15 percent; Canada: 15 percent; Denmark: 15 percent; France: zero; Germany: 15 percent; Ireland: zero; Italy: 15 percent; Japan: 15 percent; the Netherlands: 15 percent; Norway: 15 percent; Spain: 15 percent; Sweden: 15 percent; Switzerland: 10 percent; the United Kingdom: zero; and the United States: 15 percent. Please note that this list is not exhaustive. A further reduction in the withholding tax rate is usually available to corporate shareholders for dividend distributions on qualifying holdings (usually ownership of at least 10 or 25 percent of the share capital or voting rights of the distributing company). The benefit of reduced withholding rate in an applicable tax treaty will be available if the receiver of the dividend has provided the payer of the dividend the necessary details on the applicability of the tax treaty.

Where shares in a Finnish company are held through a nominee account, the Finnish distributing company pays the dividends to the nominee account managed by the custodian, who then delivers the dividend payment to the beneficial owner. 35 percent withholding tax is generally applied on dividend distributions by Listed Companies, unless custodians fulfill certain strict requirements and are willing to take over certain responsibilities (including e.g. registration with the Finnish Tax Administration (so called authorized intermediary), identification of the beneficial owner of the dividend and collecting and submitting detailed recipient information to the Finnish Tax Administration using specific filing procedures). Furthermore, application of reduced withholding tax rates at source require that the custodian and dividend distributor are willing to assume liability of incorrectly applied withholding tax. If the custodian only registers with the Finnish Tax Administration and submits (or undertakes to submit) the detailed recipient details to the Finnish Tax Administration, 30 percent withholding tax rate can be applied, instead of 35 percent.

Any tax withheld in excess can be reclaimed after the year of the dividend payment by submitting a refund application to the Finnish Tax Administration no later than by the end of the third calendar year following the dividend payment year. During the year of dividend payment, the refund can be processed if custodians and dividend distributor fulfill the above-mentioned requirements laid down for actual dividend distribution. It is exceptionally also possible that any tax not withheld at source is later assessed directly to the shareholder by the Finnish Tax Administration, in case the failure to withhold tax at source is not due to negligence of the custodian or the dividend distributor.

27.4.4 Foreign companies residing in the European Union Member States

No withholding tax is levied under Finnish tax laws on dividends paid to foreign corporate entities that reside, and are subject to corporate tax, in an EU member state as specified in Article 2 of the Parent Subsidiary Directive (2011/96/EU), as amended by the Council Directive 2013/13/EU and 2017/86/EU, and that directly hold at least 10 percent of the capital of the dividend distributing Finnish company.

27.4.5 Foreign companies residing in the European Economic Area

Dividends paid to certain foreign companies residing in the European Economic Area are either tax-exempt in full or a lowered rate of withholding tax is applied depending on how the dividend would be taxed if paid to a corresponding Finnish corporate entity.

No withholding tax will be levied in Finland from dividends paid by a Finnish company to a non-resident entity, if (i) the entity receiving the dividend resides in the European Economic Area; (ii) the Council Directive 2011/16/EU on Administrative Cooperation in the Field of Taxation and Repealing Directive 77/799/EEC, as amended by the Council Directives 2014/107/EU and (EU) 2015/2376 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation or an agreement on mutual assistance and information exchange in tax matters applies to the home state of the receiver of the dividend; and (iii) the company receiving dividend is equivalent to a Finnish entity defined in the Finnish Income Tax Act Section 33 d Sub-section 4 or in Section 6 a of the Finnish Business Income Tax Act; (iv) the dividend would be tax-exempt in full if paid to a corresponding Finnish limited liability company (see above *"– Finnish limited liability companies"*): and (v) the entity receiving the dividend provides a report (a certificate from the home member state's tax authority) clarifying that in accordance with the treaties on avoiding double taxation applicable in the home state of the receiver of dividends, the withholding tax cannot be reimbursed in full.

If dividend is paid to a foreign company that fulfils the requirements presented above in section (iii) and resides in a country which fulfils the criteria set out in sections (i) and (ii), but the dividend would be only partly tax exempt if it was paid to a corresponding Finnish entity (see above "– *Finnish limited liability companies*"), a withholding tax will be withheld on the dividends (see above section "– *Non-residents*"), but the withholding tax for such dividends will be lowered to 15 percent (instead of 20 percent). Thus, notwithstanding entities as defined in the Parent Subsidiary Directive, which fulfil the criteria for tax exemption by directly owning at least 10 percent of the capital of the Finnish company paying the dividends (see above "– *Foreign companies residing in the European Union Member States*"), the withholding tax rate of 15 percent will be applied to dividends paid to a foreign entity if the shares of the Finnish company paying dividends belong to the investment assets of the company receiving the dividends. Depending on the applicable treaty on avoiding double taxation, the applicable withholding tax can also be lower than 15 percent (see above section "– *Non-residents*").

27.4.6 Foreign individuals residing in the European Economic Area

The dividends paid to a foreign non-resident individual can upon request by the individual in question be taxed, instead of as withholding tax (see above "*Non-residents*"), in accordance with the Act on Assessment Procedure (1558/1995, as amended) and thus similarly as resident individuals in Finland are taxed (see above "*Resident Individuals*"), provided that (i) the individual receiving the dividend resides in the European Economic Area; (ii) the Council Directive 2011/16/EU on Administrative Cooperation in the Field of Taxation and Repealing Directive 77/799/EEC, as amended by the Council Directives 2014/107/EU and (EU) 2015/2376 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation or an agreement on mutual assistance and information exchange in tax matters applies to the home state of the receiver of the dividend; and (iii) the individual provides a report (a certificate from the home member state's tax authority) clarifying that in accordance with the treaties on avoiding double taxation applicable in the home state of the receiver of dividends, the withholding tax cannot be reimbursed in full.

27.5 Taxation of capital gains

27.5.1 Resident individuals

Capital gain or loss arising from the sale of Shares (other than in the context of business activities) is taxable as capital gain or as capital loss deductible from capital gains for resident individuals. Capital gains are currently taxed at a rate of 30 percent (however if the overall capital income exceeds EUR 30,000 during the calendar year, the tax for the exceeding amount is 34 percent). If the disposition of shares is connected to the business activities (business income source) of the seller, any gain arising from the sale is deemed to be the seller's business income, which will be divided according to the Finnish Income Tax Act to be taxed as earned income at a progressive tax rate and capital income at a flat rate of 30 percent (however if the overall capital income exceeds EUR 30,000 during the calendar year, the tax for the exceeding amount is 34 percent).

Any capital gain or loss is calculated by deducting the original acquisition cost and sales related expenses from the sales price. Alternatively, individuals may, instead of deducting the actual acquisition costs, choose to apply a so-called presumptive acquisition cost, which is equal to 20 percent of the sales price or, if the shares have been held for at least ten years, 40 percent of the sales price. If the presumptive acquisition cost is used instead of the actual acquisition cost, any sales related expenses are deemed to be included therein and, therefore, may not be separately deducted from the sales price.

A capital loss arising from the sale of securities, such as the Shares, is deductible primarily from the resident individual's capital gains and secondarily from other capital income arising in the same year and during the following five calendar years. However, the tax-exempt part of the reduced subscription price related to the Personnel Offering will not be taken into account in the acquisition cost of the shares when calculating capital gains or losses. Capital losses will not be taken into account when calculating the capital income deficit for the calendar year in question. Thus, such capital losses do not affect the amount of the deficit credit.

Notwithstanding the above, capital gains arising from the sale of assets, such as the Shares, are exempt from tax provided that the proceeds of all assets sold by the resident individual during the calendar year do not, in the aggregate, exceed EUR 1,000 (not including proceeds of assets the sale of which is tax-exempt pursuant to Finnish tax laws). Correspondingly, capital losses are not tax deductible if the acquisition cost of all assets sold during the calendar year does not, in the aggregate, exceed EUR 1,000 and also the proceeds of all assets sold by the resident individual during the calendar year do not, in the aggregate, exceed EUR 1,000.

An individual resident in Finland has to enter information regarding the sale of securities (such as the Shares) occurred during the relevant calendar year on the pre-completed tax form.

27.5.2 Finnish limited liability companies

The following applies only to Finnish limited liability companies taxed in accordance with the Finnish Business Income Tax Act. Generally, capital gain arising from the Shares is taxable income of the limited liability company.

Shares may be fixed assets, current assets, investment assets (only financial, insurance and pension institutes may have investment assets referred to in this context), financial assets or other assets of a limited liability company. The taxation of a disposal of shares and loss of value may vary according to the asset type for which the shares qualify. Shares may only exceptionally qualify as other than business income source assets of a limited liability company. The provisions of the Finnish Income Tax Act are applied to the capital gains arising from the sale of assets from other income source.

Any sales price from the sale of securities is generally included in the business income of a Finnish company. Correspondingly, the acquisition cost of the shares is deductible from business income upon disposal of the shares. However, a participation exemption for capital gains on share disposals is available for Finnish companies, provided that certain strict requirements are met. Under the participation exemption and except for private equity investors, capital gains arising from the sale of shares that are part of the fixed assets of the selling company are not considered taxable business income and, correspondingly, capital losses incurred on the sale of such shares are not tax deductible, provided, among others, that (i) the selling company has continuously owned at least 10 percent of the share capital in the company whose shares are sold and such sold shares have been owned for at least one year, which period has ended no later than one year before the sale, (ii) the company whose shares have been sold is not a real estate or residential housing company or a limited liability company whose activities, on a factual basis, mainly consist of ownership or possession of property, and (iii) the company whose shares are sold is resident in Finland or a company referred to in Article 2 of the Parent Subsidiary Directive or it is resident in a country with which Finland has entered into a tax treaty for the elimination of double taxation which is applicable to dividends. Further, based on case law, the application of the participation exemption also requires among other things, that there is an operational connection between the company disposing of the shares and the company whose shares are being sold.

Tax deductible capital losses arising from the sale of shares (other shares than shares sold under the participation exemption) that are part of the fixed assets of the selling company can only be deducted from capital gains arising from the sale of shares in the same financial year and five subsequent years. Tax deductible capital losses arising from the sale of shares belonging to other assets are tax deductible only from capital gains arising from the sale of other assets in the same fiscal year and the subsequent five years. Capital losses arising from the sale of shares that are not part of fixed assets or other assets are tax deductible from taxable income in the same financial year and the subsequent ten years in accordance with the general rules concerning losses carried forward.

27.5.3 Non-residents

Non-residents are generally not tax liable in Finland on capital gains realised on the sale of shares in a Finnish company, unless the non-resident taxpayer is deemed to have a permanent establishment in Finland according to the Income Tax Act and the applicable tax treaty, and the shares are considered as assets of that permanent establishment.

27.6 Transfer tax

In Finland, transfer tax is not payable in connection with the issuance or subscription of shares. Transfer tax is generally not payable on the transfer of shares subject to public trading against fixed cash consideration. The transaction is not subject to transfer tax provided that an investment service company or a foreign investment service company or another investment service provider, as defined in the Finnish Act on Investment Services (747/2012, as amended), is brokering or serving as a party to the transaction or that the transferee has been approved as a trading party in the market where the transfer is executed. If the transferee's broker or other party to the transfer is not a Finnish investment firm, Finnish credit institution or Finnish branch or office of a foreign investment firm or credit institution, the transfer will be tax exempt provided that the transferee liable for tax notifies the Finnish tax authorities of the transfer within two months thereof or that the broker submits an annual declaration concerning the transfer to the Finnish Tax Administration as set forth in the Act on Assessment

Procedure (1558/1995, as amended). Tax exemption does not apply to transfers executed as capital investments or distribution of funds or to transfers in which consideration comprises in full or in part of work contribution, or to certain other transfers set out in the Transfer Tax Act. Accordingly, in case law it has been considered that if an incentive scheme remuneration of key persons is paid in money and the receiver of the remuneration is obliged to purchase shares of the Listed Company with a part of the remuneration, consideration of the share purchase comprises in full or in part of work contribution, and is thus subject to transfer tax.

The buyer is liable to pay transfer tax amounting to 1.6 percent of the transaction price in share transfers that do not fulfil the above criteria (2.0 percent on transfers of shares in a company qualified as a real estate company). If the buyer in that case is not generally liable for tax in Finland or a foreign credit institution's or an investment firm's or a fund management company's or an EEA alternative investment fund manager's Finnish branch, the seller must charge the tax from the buyer. If the broker is a Finnish stockbroker or a credit institution or a foreign stockbroker's or credit institution's Finnish branch, it is liable to charge the transfer tax from the buyer and effect the payment on the buyer's behalf. If neither party to the transaction is generally liable for tax in Finland or a foreign credit institution's or an investment firm's or a fund management company's or an EEA alternative investment fund manager's Finnish branch, transfer tax will not be payable on the transfer of shares (excluding transfers of qualified real estate company shares, as defined in the Transfer Tax Act). No transfer tax is levied if the amount of the tax is less than EUR 10.

28. LEGAL MATTERS

Certain legal matters in connection with the Offering have been passed upon for Sitowise by Roschier, Attorneys Ltd. Certain legal matters in connection with the Offering have been passed upon the Joint Global Coordinators by White & Case LLP.

29. INFORMATION INCORPORATED BY REFERENCE

The Company's audited consolidated financial statements as at and for the financial years ended 31 December 2020 and 31 December 2019, prepared in accordance with IFRS, as well as the Company's audited consolidated financial statements as at and for the financial year ended 31 December 2018, prepared in accordance with the Finnish accounting standards (FAS), are incorporated into the Offering Circular by reference. The non-incorporated information in the documents incorporated by reference is not relevant for investors or can be found elsewhere in the Offering Circular. The referenced documents are available on the Company's website at www.sitowise.com/ipo.

Document	Information by reference	Link to the document
The Company's consolidated financial statements for the financial year ended 31 December 2020 (IFRS), pp. 11–46	Audited consolidated financial statements and the auditor's report as at and for the financial year ended 31 December 2020	https://www.sitowise.com/sites/default/files/2021-03/2020 IFRS Sitowise_financial statements.pdf
The Company's consolidated financial statements for the financial year ended 31 December 2019 (IFRS), pp. 1–17	Audited consolidated financial statements and the auditor's report as at and for the financial year ended 31 December 2019	https://www.sitowise.com/sites/default/files/2021-03/2019 IFRS Sitowise_financial statements.pdf
The Company's consolidated financial statements for the financial year ended 31 December 2018 (FAS), pp. 9–22	Audited consolidated financial statements and the auditor's report as at and for the financial year ended 31 December 2018	https://www.sitowise.com/sites/default/files/2021-03/2018 FAS financial statements and auditor's report_0.pdf

30. DOCUMENTS ON DISPLAY

In addition to the documents incorporated by reference, the Company's Finnish language Articles of Association, which will take effect as of the Listing, the Finnish Prospectus and this Offering Circular are available on the Company's website at www.sitowise.com/ipo.

ANNEX A - SELLERS SELLING SALE SHARES IN THE OFFERING

The following table sets forth the number of Sale Shares offered for sale by Intera and the shareholding of Intera after the Offering (including the issue of New Shares), assuming that the Over-Allotment Option is exercised in full and assuming that the Sellers will sell the maximum amount of Sale Shares and that the Company will issue 9,176,341 New Shares.

		Shareholding following the completion of the Offering	
Seller	**Sale Shares**	**Number of Shares held following the Offering**	**Percentage of total Shares and votes**
Intera Fund III Ky	5,050,580[1]	4,533,380	12.91

[1] Including Additional Shares.

The registered address of Intera is Keskuskatu 1 A, FI-00100 Helsinki. As at the date of this Offering Circular, Intera is the largest shareholder of the Company.

The following table sets forth the names of the members the management team of the Company who are offering Sale Shares for sale, and the number of the Sale Shares to be sold and the shareholdings of them after the Offering (including the issue of New Shares), assuming that the Over-Allotment Option is exercised in full and assuming that the Sellers will sell the maximum amount of Sale Shares and that the Company will issue 9,176,341 New Shares.

		Shareholding following the completion of the Offering	
Seller	**Sale Shares**	**Number of Shares held following the Offering**	**Percentage of total Shares and votes**
Asplund Anne-May	4,554	10,626	0,03

The following table sets forth the names of the other sellers and the number of the Sale Shares to be sold and their shareholdings after the Offering (including the issue of New Shares), assuming that the Over-Allotment Option is exercised in full and assuming that the Sellers will sell the maximum amount of Sale Shares and that the Company will issue 9,176,341 New Shares.

		Shareholding following the completion of the Offering	
Seller	**Sale Shares**	**Number of Shares held following the Offering**	**Percentage of total Shares and votes**
Ahola Jani	3,000	7,000	0.02
Airaksinen Noora	13,728	32,032	0.09
Ala-Ojala Jukka	56,616	226,464	0.64
Antson Anne	100,900	0	0.00
Anttalainen Kimmo	596,232	397,488	1.13
Edelweiss Holding AB	2,412	5,628	0.02
Endeco Group Oy	54,320	13,580	0.04
Goodison Ventures Oy	25,872	6,468	0.02
Grönlund Sakari	134,676	89,784	0.26
Gustafsson Patricia	2,118	4,942	0.01
Hartikainen Pirkka	16,428	38,332	0.11
Heinonen Jarmo	10,002	23,338	0.07
Helander Johannes	5,172	20,688	0.06
Hollmén Kalle	15,870	37,030	0.11
Honkanen Pasi	35,048	140,192	0.40
Huotarinen Hemmo	13,788	55,152	0.16
Huttunen Veli-Matti	4,000	16,000	0.05
Huura Jouni	51,762	120,778	0.34
Hyöty Perttu	15,816	36,904	0.11
Hänninen Henry	20,766	48,454	0.14
Härkönen Timo	24,704	98,816	0.28
Ikäheimo Aino	2,000	8,000	0.02
Jaakkola Olli	8,356	33,424	0.10
Ketola Maija	17,736	41,384	0.12

Seller	Sale Shares	Shareholding following the completion of the Offering Number of Shares held following the Offering	Percentage of total Shares and votes
KGW Investment, SIA	13,912	55,648	0.16
Kiiskilä Kati	12,084	48,336	0.14
Korhonen Eero	18,204	12,136	0.03
Koskinen Kalle-Heikki	4,392	10,248	0.03
Koskinen Olli-Pekka	4,392	10,248	0.03
Koukkari Juuso	1,902	4,438	0.01
Kronqvist Petteri	46,962	109,578	0.31
Kuvaja Keijo	11,888	47,552	0.14
Lahtinen Jarmo	7,424	29,696	0.08
Lammi Hannu	2,000	8,000	0.02
Lappalainen Ilkka	30,340	0	0.00
Launonen Petri	32,564	130,256	0.37
Leskinen Aleksi	1,716	6,864	0.02
Liukas Juha	197,892	131,928	0.38
Ljungberg Elof	3,660	8,540	0.02
Loukonen Pasi	38,088	88,872	0.25
Lukkari Tuomas	15,816	36,904	0.11
Luoma Invest Oy	4,614	10,766	0.03
Lüthje Klaus	11,824	47,296	0.13
Länsimies Pekka	67,716	45,144	0.13
Mantere Pekka	1,055,440	263,860	0.75
Muikkula Harri	2,574	6,006	0.02
Mätäsaho Miio	2,928	6,832	0.02
Nguyen Tuyet	888	2,072	0.01
Nieminen Niina	2,668	10,672	0.03
Niskanen Teemu	2,000	8,000	0.02
Oskarsborg Invest AB	27,744	64,736	0.18
P Karlsson Invest AB	40,146	93,674	0.27
Patjas Esa	164,208	109,472	0.31
Pekkala Pasi	1,716	6,864	0.02
Piispa Pasi	24,704	98,816	0.28
PN-Family Holding Oy	13,170	30,730	0.09
Puska Aki	191,320	0	0.00
Puurunen Tapio	633,264	422,176	1.20
Rauta Elisa	2,928	6,832	0.02
Reihe Hanna	2,574	6,006	0.02
Reinholdsson Martin	2,440	9,760	0.03
Rindell Ville	4,002	9,338	0.03
Rintamäki Jaakko	588	392	0.00
Romppanen Matti	2,800	11,200	0.03
Ruohonen Tuomas	2,668	10,672	0.03
Sainia Pertti	19,136	4,784	0.01
Sainio Niina	2,118	4,942	0.01
Sainio Pasi	62,964	146,916	0.42
Salanne Ilkka	9,540	38,160	0.11
Salminen Timo	9,600	22,400	0.06
Segelström Invest AB	40,146	93,674	0.27
Seppänen Petri	41,144	164,576	0.47
Sikermä Oy	98,904	65,936	0.19
Silván Ismo	10,002	23,338	0.07
Silviis Oy	26,510	26,510	0.08
Sipola Sakari	28,680	66,920	0.19
Soukiala Jyrki	107,736	71,824	0.20
Suominen Seppo	39,618	92,442	0.26
Tammi Pauliina	2,574	6,006	0.02
Tapper Jan	24,558	57,302	0.16
Tinkanen Harri	398,820	70,380	0.20
Tuominen Rauno	111,366	259,854	0.74
Tuukkanen Kari	109,368	72,912	0.21
Urpalainen Vesa	2,574	6,006	0.02
Vaalgamaa Sanna	2,574	6,006	0.02

Seller	Sale Shares	Shareholding following the completion of the Offering	
		Number of Shares held following the Offering	Percentage of total Shares and votes
Valkonen Harri	13,844	55,376	0.16
Valli Raisa	52,032	34,688	0.10
Veijovuori Seppo	25,392	101,568	0.29
Ylimäki Rauli	206,928	51,732	0.15

The registered address of the Sellers is c/o Sitowise Group Oyj, Linnoitustie 6, FI-02600 Espoo.

ANNEX B - ARTICLES OF ASSOCIATION OF SITOWISE GROUP PLC

The Articles of Association described in this Annex enters into force upon the Listing of the Company.

1 § The name of the company is Sitowise Group Oyj and the domicile of the company is Espoo. The parallel name of the company in English is Sitowise Group Plc.

2 § The company's field of business is to offer design and consulting services as well as digital solutions for built environment. The company may practice its business through subsidiaries and holding companies. In addition, the field of business of the company is to hold and own securities, shares, real estate and other assets in Finland and abroad directly or through other companies owned by it. The field of business of the company is also to produce administrative, finance and other group services to its group companies and to grant security and guarantees on behalf of its group companies.

3 § The Board of Directors of the company shall comprise a minimum of three (3) and a maximum of nine (9) members. The term of the members of the Board of Directors begins from the General Meeting deciding on their election and ends at the close of the next Annual General Meeting following their election. The Board of Directors shall elect a Chairman from among its members.

4 § The company may have a Chief Executive Officer. The Board of Directors shall decide on the appointment and dismissal of the Chief Executive Officer.

5 § The company is represented by the Chairman of the Board of Directors alone, by two (2) members of the Board of Directors jointly or by a person or persons whom the Board of Directors has granted a right of representation.

6 § The company has one (1) auditor that shall be an auditing firm approved by the Finnish Patent and Registration Office. The auditor's term of office begins from the General Meeting deciding on the auditor's election and ends at the close of the next Annual General Meeting following its election.

7 § Company's financial year ends annually on 31 December.

8 § The shares of the company shall belong to the book-entry system after the expiry of the registration period.

9 § The shareholders exercise their power of decision in the company's affairs at the General Meeting.

The Annual General Meeting of shareholders shall be held annually within six (6) months of the expiration of the financial year. An Extraordinary General Meeting of shareholders shall be held when the Board of Directors considers it necessary or when the law so requires.

The Board of Directors convenes the General Meeting and decides on the date and place of the Meeting. The notice of the General Meeting shall be delivered to the shareholders no earlier than three (3) months and no later three (3) weeks prior to of the Meeting, however, no later than nine (9) days before the record date of the General Meeting. The notice shall be delivered to the shareholders by means of a notice published on the company's website or at least in one national daily newspaper designated by the Board of Directors.

To be entitled to attend the General Meeting, a shareholder must register with the company no later than on the date specified in the notice of the General Meeting, which date may not be earlier than ten (10) days prior to the General Meeting.

10 § At the Annual General Meeting the following shall be presented:

- the financial statements, including the consolidated financial statements,
- the annual report, and
- the auditor's report.

After which, the following shall be decided:

- the adoption of the financial statements and consolidated financial statements,
- the use of the profit shown on the balance sheet,
- the discharge from liability for the members of the Board of Directors and the Chief Executive Officer,
- the remuneration of the members of the Board of Directors and of the auditor, and
- the number of members of the Board of Directors.

After which, the following shall be elected:

- the members of the Board of Directors, and
- the auditor.

After which, any other matters possibly contained in the notice of the Meeting shall be handled.

THE COMPANY

Sitowise Group Plc
Linnoitustie 6
FI-02600 Espoo
Finland

THE JOINT GLOBAL COORDINATORS

Carnegie Investment Bank Ab, Finland Branch
Eteläesplanadi 22 A
FI-00130 Helsinki
Finland

Danske Bank A/S, Finland Branch
Televisiokatu 1
FI-00240 Helsinki
Finland

LEGAL ADVISER OF THE COMPANY

Roschier, Attorneys Ltd.
Kasarmikatu 21 A
FI-00130 Helsinki
Finland

LEGAL ADVISER TO THE JOINT GLOBAL COORDINATORS

White & Case LLP
Aleksanterinkatu 44
FI-00100 Helsinki
Finland

AUDITOR

KPMG Oy Ab
Töölönlahdenkatu 3 A
FI-00100 Helsinki
Finland