

SITOWISE GROUP PLC

Double-digit growth in net sales continued

Half-year Report
1 January – 30 June 2022



SITOWISE



CONTENTS

2	PERIOD IN BRIEF AND KEY FIGURES
3	CEO HEIKKI HAASMAA
4	OUTLOOK, GUIDANCE AND FINANCIAL TARGETS
4	FINANCIAL DEVELOPMENT
8	Q2: BUSINESS REVIEW
12	SUSTAINABILITY
13	PERSONNEL, MANAGEMENT AND CORPORATE GOVERNANCE
15	SHARES AND SHAREHOLDERS
16	RISKS AND UNCERTAINTIES
16	SEASONALITY
17	QUARTERLY NET SALES AND EBITA OF THE GROUP
18	MAIN EVENTS AFTER PERIOD-END
19	MAIN FINANCIAL STATEMENTS
23	NOTES

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

APRIL–JUNE IN BRIEF (Q2)

- Net sales increased by 11% to EUR 51.7 (46.5) million.
- Organic net sales grew by 4% (-5%).
- Adjusted EBITA was EUR 4.9 (5.9) million, or 9.5% (12.7%) of net sales.
- The order book increased by 21% to EUR 169 (140) million.
- Leverage (net debt / adjusted EBITDA) rose as a result of acquisitions and was 2.7x (1.5x).
- Sitowise carried out three acquisitions. In June, the Group was joined by two Finnish companies, Bitcomp Oy, an IT expert in SaaS solutions for the forest and natural resources sector, and the renovation specialist Rakennuttajaari Oy, and a Swedish company, the electrical design firm E60 Elkonsult AB.
- The personnel survey conducted in May indicated that willingness to recommend Sitowise as an employer had risen further and employees were very satisfied with managerial work.

JANUARY–JUNE IN BRIEF (H1)

- Net sales increased by 13% to EUR 100.9 (89.3) million.
- Organic net sales grew by 5% (-3%).
- Adjusted EBITA was EUR 10.1 (10.6) million, or 10.1% (11.9%) of net sales.
- In the client survey conducted at the beginning of the year, the willingness to recommend remained at a good level, in addition to which 94% of respondents would reselect Sitowise as their supplier.
- Sitowise carried out a total of five acquisitions. In addition to those mentioned above, in January Sitowise acquired the Swedish infrastructure design agency Mavacon AB and completed the acquisition of VRT Finland Oy's business focusing on 3D construction inspection.

KEY FIGURES

EUR million	4–6/2022	4–6/2021	1–6/2022	1–6/2021	1–12/2021
Net sales	51.7	46.5	100.9	89.3	179.3
EBITA, adjusted	4.9	5.9	10.1	10.6	21.1
% of net sales	9.5%	12.7%	10.1%	11.9%	11.8%
EBITA	3.3	4.7	6.8	8.7	18.5
Result for the period	1.6	3.4	2.7	2.6	7.9
Cash flow from operating activities before financial items and taxes	2.1	3.1	9.0	8.4	22.8
Net debt			58.2	29.9	30.9
Net debt / EBITDA, adjusted			2.7x	1.5x	1.4x
Equity ratio, %			42.9%	47.8%	46.0%
Earnings per share (EPS), EUR	0.04	0.10	0.07	0.07	0.22
Number of personnel, average	2,115	1,960	2,080	1,935	1,969

CEO HEIKKI HAASMAA:

In the second quarter, Sitowise's net sales grew by 11 percent, while organic growth was 4 percent. Overall growth was supported by the acquisitions completed after June in 2021, as the acquired companies have developed favorably also after the acquisitions. The continuation of the war in Ukraine and the general market uncertainty were evident in the second quarter, but the market for technical design has demonstrated its resilience in the midst of change and the direct impacts on Sitowise have remained limited to date. Our order book has grown significantly during the past year and a half, and I am pleased that the order book remained at a high level in the second quarter as well.

“ In the second quarter, Sitowise's net sales grew by 11 percent, while organic growth was 4 percent. I am pleased that the order book remained at a high level in the second quarter as well.

During the quarter, we made exceptional investments in personnel events and training as well as customer meetings – this had a clear impact on our profitability due to both direct costs and the lower utilization rate. In the second quarter, adjusted EBITA declined to EUR 4.9 (5.9) million and represented 9.5% (12.7%) of net sales. In addition to the lower utilization rate, profitability was burdened by COVID-19 sickness absences, which remain high, but have leveled off after April. During the rest of the year, we will concentrate on increasing profitability by focusing on pricing and cost containment. In accordance with our guidance, we expect that profitability will improve in the second half of the year compared to the first.

“ We want to serve our clients even better and to grow profitably.

In June, we announced three strategically significant acquisitions, thanks to which the Group grew by a total of 135 new experts. In our Digital Solutions business area, we achieved a major growth spurt and doubled the net sales of our SaaS business consisting of recurring revenue agreements by acquiring Bitcomp Oy, Finland's leading pioneer in the forest and natural resources sector. In the Buildings business area we created Finland's largest expert organization specializing in renovation by acquiring Rakennuttajakaari Oy. In Sweden, we continued to expand our service offering by acquiring the electrical design specialist E60 Elkonsult AB. Acquisitions will continue to play a key role in our strategy going forward, too. We are looking for growth-focused and financially well performing companies that are a good fit with our strategy and culture. This will enable us to serve our clients even better and to grow profitably.



“ Our employees' willingness to recommend Sitowise as an employer increased for the fourth year running. In the personnel survey conducted this spring, our eNPS was 30 (28).

After two years of the COVID-19 pandemic, it has been important to support employee encounters and customer work. For this reason, the above-mentioned significant internal investments in employees made during the quarter have been necessary and important both for personnel satisfaction and for supporting growth. Although the past two years have been challenging to employees, their satisfaction has remained high. Our employees' willingness to recommend Sitowise as an employer increased for the fourth year running – in the personnel survey conducted this spring, our eNPS was 30 (28). An expert organization must pay particular attention to personnel satisfaction, and I'm pleased to see that our continued focus on our employees during the recent years has had visible results.

OUTLOOK, GUIDANCE AND FINANCIAL TARGETS

MARKET OUTLOOK

The stable growth in the demand for design and consulting services to create sustainable societies is supported by megatrends such as urbanization, renovation backlog, sustainability, and digitalization.

During the second quarter of the year, demand across all our business areas remained good. However, the uncertainty in the market brought by the war in Ukraine, material availability issues, energy availability challenges, and inflationary pressures could potentially affect the short-term decision-making of Sitowise’s clients.

GUIDANCE (unchanged)

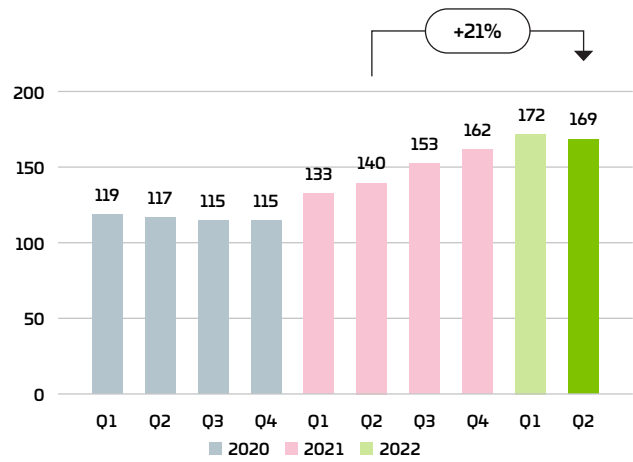
Sitowise Group estimates that both net sales and adjusted EBITA in euros will increase compared to 2021.

LONG-TERM FINANCIAL TARGETS (unchanged)

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

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

THE GROUP’S ORDER BOOK



THE GROUP’S ORDER BOOK, EUR MILLION

The order book decreased by 2 percent since the end of the previous quarter but grew by 4 per cent compared with the turn of the year. Compared to the corresponding period of last year, the order book increased by 21 percent to EUR 169 million. The growth of the order book has been driven by a wide variety of different-sized projects.

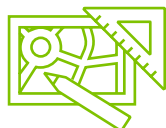


Silin, Designer

SITOWISE'S BUSINESS AREAS



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



The services of the **Infrastructure** business area cover a wide range of urban development needs in diverse areas: infrastructure, transport and mobility, urban development, environment and water, and the construction of infrastructure. Urbanization supports the investment needs of municipalities and cities in particular, and the business area's most significant client segment is the public sector, which accounts for almost 70 percent of net sales.



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



Sitowise's operations in **Sweden** are organized as their own business area, aside from digital solutions. In Sweden, Sitowise provides design and consulting services for the following fields: structural engineering, building services engineering, consulting for buildings and real estate, infrastructure and related building services engineering, and geotechnical design.

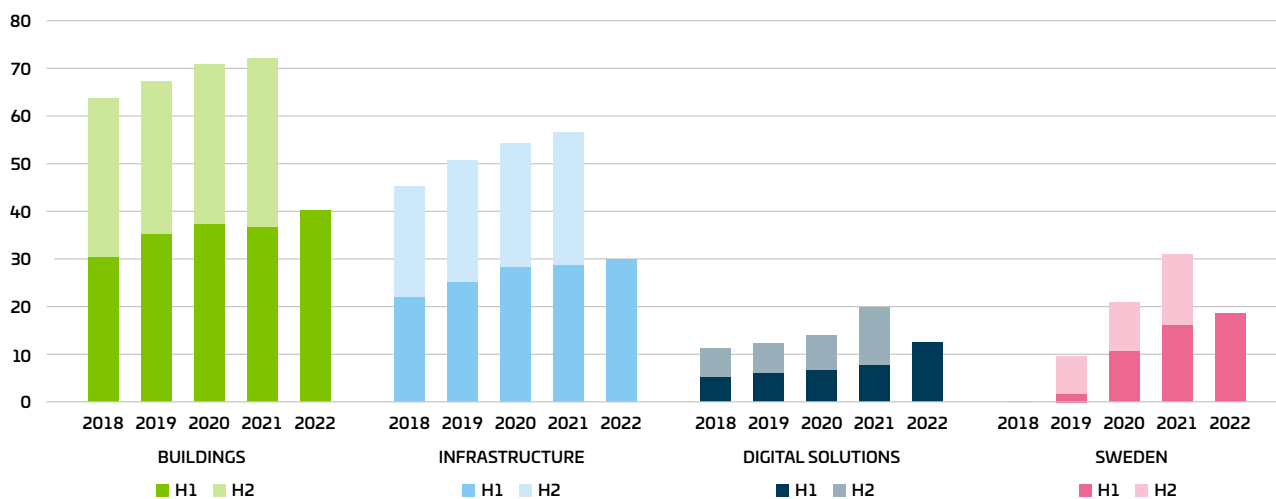
THE GROUP'S NET SALES AND PROFITABILITY

NET SALES

EUR million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Buildings	20.3	18.9	40.1	36.8	72.1
Infrastructure ²⁾	15.7	14.8	29.9	28.7	56.4
Digital Solutions ^{1), 2)}	6.1	4.1	12.4	7.7	19.8
Sweden	9.6	8.7	18.5	16.1	31.0
Total	51.7	46.5	100.9	89.3	179.3

¹⁾ Includes the Group's Swedish subsidiary, Infracontrol AB.

²⁾ Figures for the comparison year have been adjusted to reflect the current organizational structure.



NET SALES BY BUSINESS AREA, EUR MILLION

NET SALES APRIL–JUNE (Q2)

The Group's net sales increased by 11 percent in the second quarter of the financial year 2022 in relation to the comparison period. The growth was driven by the acquisitions carried out after the end of the comparison period and the 4 percent organic growth. There was organic growth in all business areas, and it was particularly strong in the Infrastructure, Digital Solutions and Sweden business areas. Net sales growth excluding exchange rate effects was 12 percent.

In the second quarter the growth in net sales was weakened by an increase in sick leaves compared to the comparison period due to, among other factors, the COVID-19, and by the lower utilization rate. The lower utilization rate was mainly due to the exceptionally extensive physical personnel and training events that were organized again after the COVID-19 years.

EUR million	4–6/2022	4–6/2021	1–6/2022	1–6/2021	1–12/2021
EBITA, adjusted	4.9	5.9	10.1	10.6	21.1
% of net sales	9.5%	12.7%	10.1%	11.9%	11.8%
EBITA	3.3	4.7	6.8	8.7	18.5
Operating profit	2.7	4.2	5.6	7.9	16.4
Result before taxes	2.4	4.3	3.9	3.3	10.3
Result for the period	1.6	3.4	2.7	2.6	7.9
Earnings per share (EPS), EUR	0.04	0.10	0.07	0.07	0.22

PROFITABILITY APRIL–JUNE (Q2)

Adjusted EBITA decreased by one million euros, or 17 percent, due to the abovementioned factors that impacted on net sales, and the expenses incurred from the increases in post-pandemic activities. In particular, the costs of the exceptionally large internal personnel and training events held during the quarter after the COVID-19 years affected the adjusted EBITA. The EBITA margin was also reduced by higher subcontracting and project costs. Items related to comparability were EUR -1.6 (-1.3) million, mainly related to acquisitions.

Operating profit decreased by 36 percent compared to the comparison period due to lower adjusted EBITA and higher expenses related to comparability.

Both the **result before taxes** for the comparison period and the **result** for the comparison period were particularly burdened by the financing costs related to the listing.

NET SALES JANUARY–JUNE (H1)

The Group's net sales increased by 13 percent in the first half of the year, including a strong organic growth of 5 percent. Growth was also driven by acquisitions made after the comparison period. However, a rise in sick leaves due to the COVID-19 and flu season weakened net sales substantially. Net sales growth excluding exchange rate effects was 14 percent.

PROFITABILITY JANUARY–JUNE (H1)

Adjusted EBITA decreased by 5 percent due to the abovementioned factors that impacted on net sales, and some other operating expenses rose as we gradually shifted over to the post-pandemic period with an increase in activities. The EBITA margin was also reduced by higher subcontracting and project costs. Items related to comparability were EUR -3.3 (-1.9) million, mainly related to acquisitions, and write-downs of projects of Russian-owned clients.

Operating profit decreased by 28 percent compared to the comparison period, mainly due to higher expenses related to comparability.

The result for the period improved year-on-year. Both the **result before taxes** for the comparison period and the **result** for the comparison period were particularly burdened by the financing costs related to the listing.

FINANCIAL POSITION AND CASH FLOW

Equity attributable to owners of the parent company was EUR 113.5 (107.9) million.

EUR million	30 Jun 2022	30 Jun 2021	31 Dec 2021
Cash and cash equivalents	10.7	9.7	19.4
Interest-bearing debt, total	68.9	39.7	50.2
<i>Interest-bearing debt, current</i>	1.0	0.5	1.0
<i>Interest-bearing debt, non-current</i>	67.9	39.2	49.2
Equity ratio, %	42.9%	47.8%	46.0%
Net debt	58.2	29.9	30.9
Net debt / EBITDA, adjusted	2.7x	1.5x	1.4x
Gearing, %	51.2%	27.7%	26.9%

The company's liquidity remained good in the second quarter. Leverage increased as a result of acquisitions.

Cash flow from operating activities before financial items and taxes was EUR 2.1 (3.1) million during the second quarter. The decrease was mainly due to the lower result.

In April–May, investments amounted to EUR -20.5 (-1.7) million. Investments grew largely due to acquisitions.

During the second quarter, cash flow from financing was EUR 14.0 (0.1) million, consisting primarily of loans raised for acquisitions, dividends paid, share buyback, and payments from share issues. In the comparison period, the cash flow from financing activities was mainly affected by payments received and expenses related to the listing.

The consolidated balance sheet total at the end of June was EUR 264.9 (226.0) million. Goodwill in the balance sheet was EUR 155.3 (127.6) million. No indications of impairment exist.



Q2: BUSINESS REVIEW | BUILDINGS

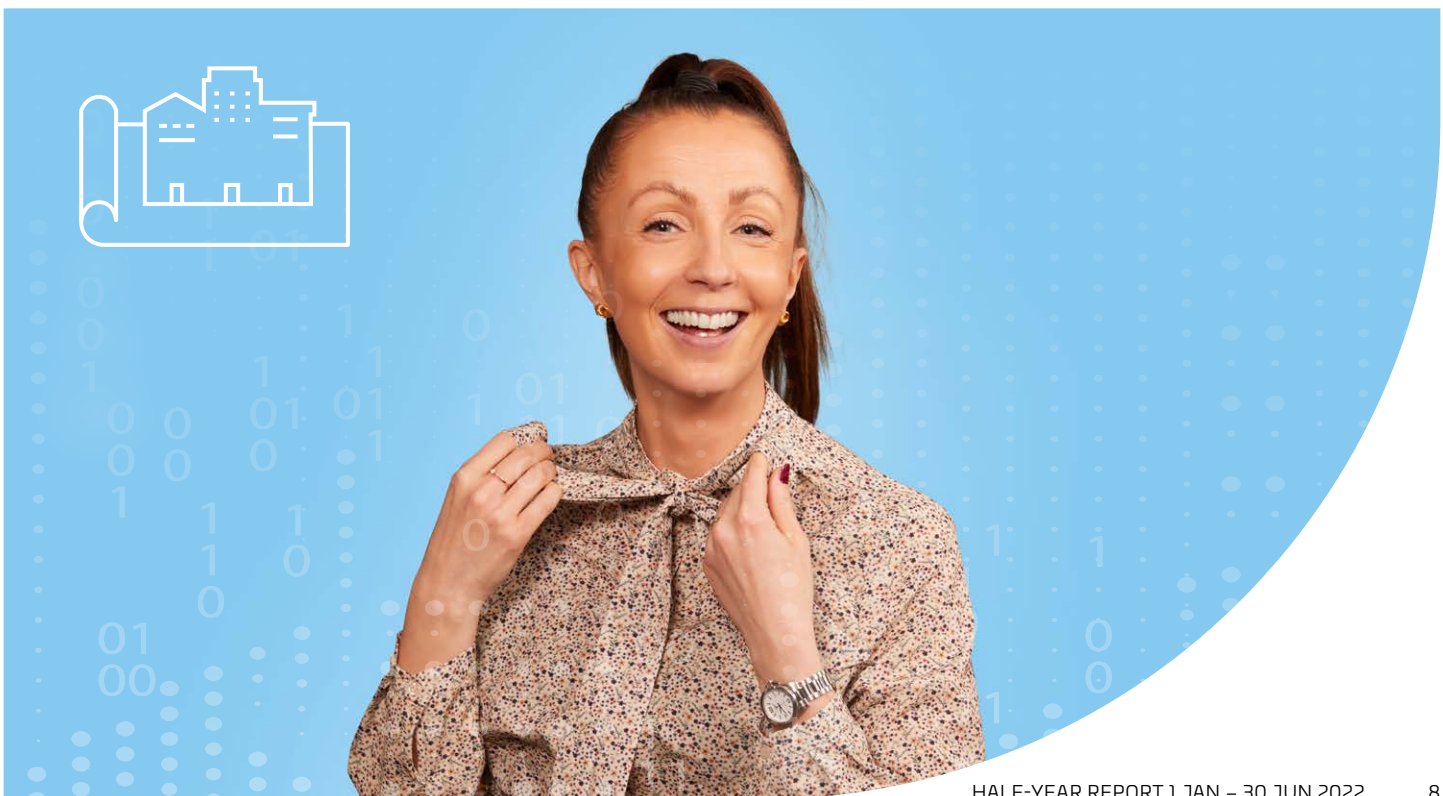
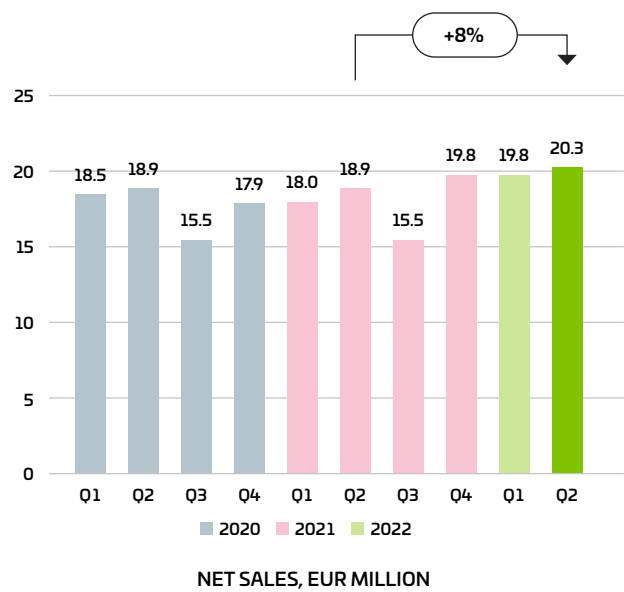
The **Buildings** business area's net sales increased by 8 percent in the second quarter compared to last year and amounted to EUR 20.3 (18.9) million. The business area accounted for approximately 39 (41) percent of the Group's net sales.

The growth of the business area was driven by the increase in the number of employees and the strengthening of the growth of acquired companies due to their successful integration. The order book remained at a high level.

In June, Sitowise acquired Rakennuttajakaari Oy, a company specialized in renovation services with a net sales of around EUR 5 million in 2021. As a result of this acquisition, Sitowise has formed an expert organization with more than 250 renovation specialists, which is largest in its field in Finland. Renovation expertise will become even more central in the future due to rapid changes in legislation to address climate change and sustainable development, which challenges all players in the built environment.

Growth in renovation services and the increasing importance of low-carbon solutions was also evident in the orders received during the quarter. Renovation orders received during the quarter included structural design for a project included in the Kottarainen quarter for Kojamo, in which an educational building will be converted into Lumo rental housing. In this same project, Sitowise is also serving as a fire consultant and acoustics specialist and has carried out ground and structural engineering surveys. During the quarter, Sitowise started with YIT the planning of 15- and 22-storey apartment buildings and the associated parking garage to be built in Keilaniemi, Espoo.

In June, Sitowise has formed an expert organization with more than 250 renovation specialists, which is largest in its field in Finland.



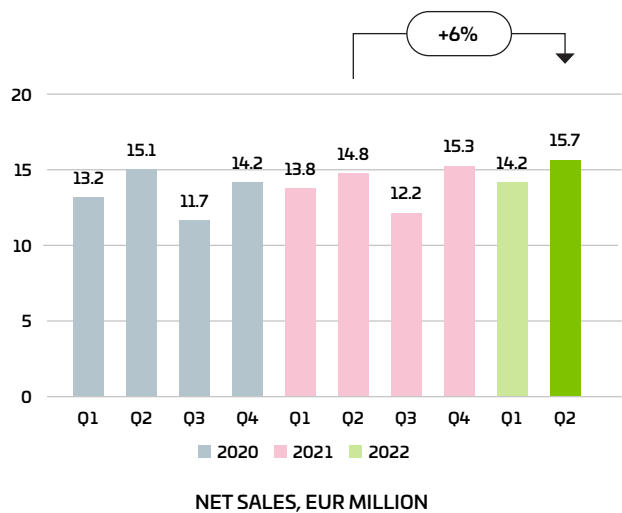
Q2: BUSINESS REVIEW | INFRASTRUCTURE

The **Infrastructure** business area's net sales increased by 6 percent in the second quarter compared to last year and amounted to EUR 15.7 (14.8) million. The business area accounted for approximately 30 (32) percent of the Group's net sales.

The Infrastructure business area's net sales grew faster than the market. Growth was supported by the higher average fees and an increase in the number of employees. The order book remained at a high level.

The business area received several significant assignments. In the case of rail projects, orders were received related to the design of the first phase of the Tampere one-hour train. In addition, Sitowise signed a four-year (2+2) framework agreement with the City of Helsinki for environmental services, which supports the growth of the company's environmental business. In addition, the business area received a number of small and medium-sized orders.

The Infrastructure business area's net sales grew faster than the market, and the business area received several significant assignments.



Timo, Lead Consultant

Q2: BUSINESS REVIEW | DIGITAL SOLUTIONS

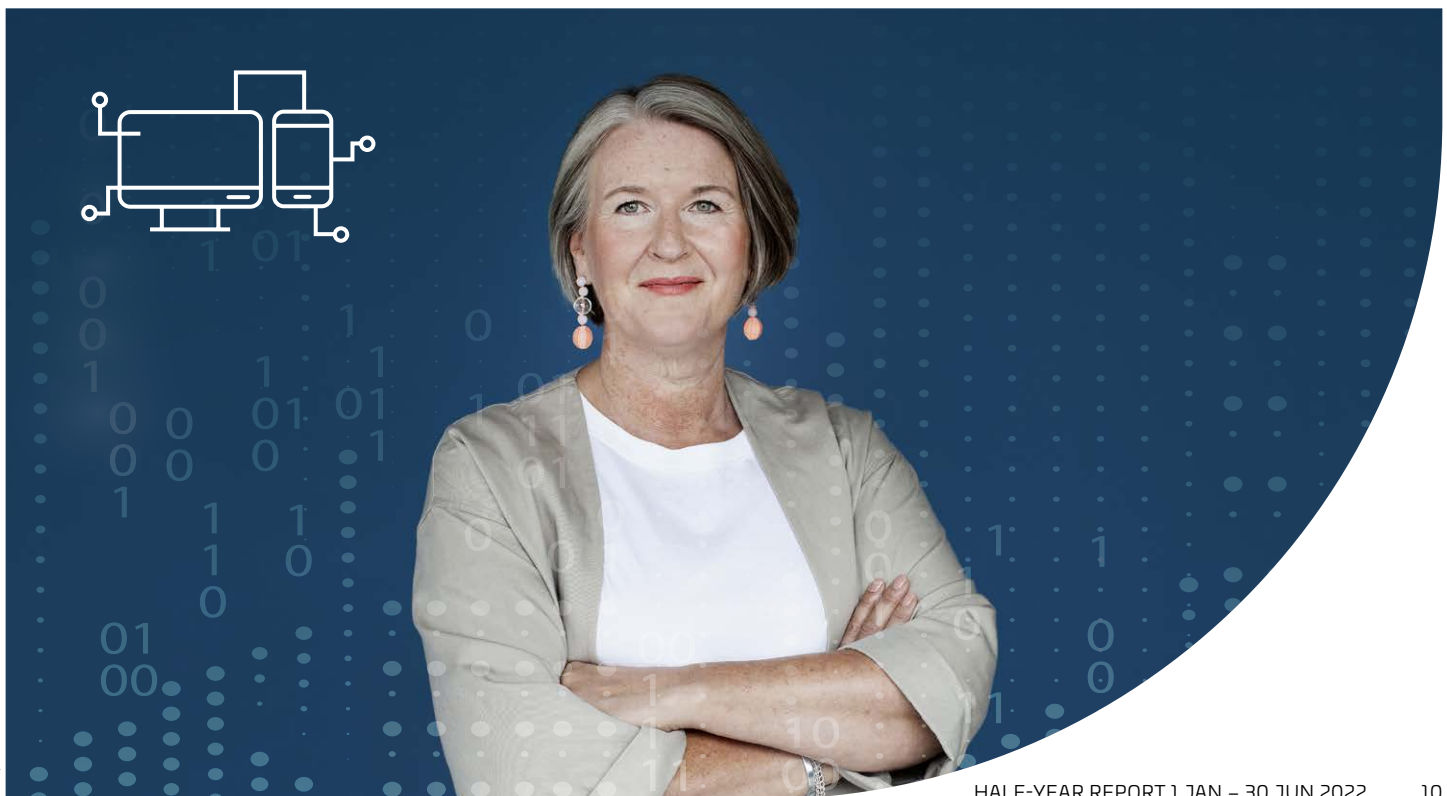
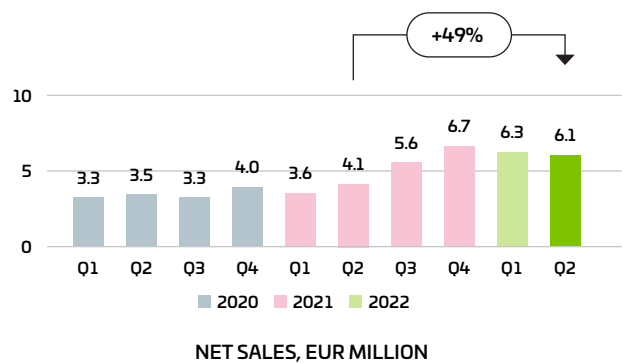
The net sales of the **Digital Solutions** business area increased by 49 percent in the second quarter compared to last year and amounted to EUR 6.1 (4.1) million. The business area accounted for approximately 12 (9) percent of the Group’s net sales.

The growth in net sales was boosted by the acquisition of Infracontrol in 2021, but organic growth in net sales was also strong and clearly faster than the overall development in the IT market. The business area’s sales activity and order book remained at a high level. Cooperation with the external recruitment partner begun and resulted in an increase in new recruitments.

In June, Sitowise acquired Bitcomp Oy, a pioneer in SaaS solutions for the forest and natural resources sector. Bitcomp employs nearly 80 people in Finland and in 2021 the company had net sales of over EUR 5.6 million. The transaction more than doubled Sitowise’s SaaS business volume.

One of the significant agreements made in the public sector is for the implementation of the metsään.fi service for the Finnish Forest Centre. In addition, a new four-year framework agreement was signed for the provision of IT expert services to the Ministry of Agriculture and Forestry as well as agencies in its administrative domain, such as the National Land Survey of Finland, Finnish Food Authority, National Resources Institute Finland and Metsähallitus.

In June, Sitowise acquired Bitcomp Oy, a pioneer in SaaS solutions for the forest and natural resources sector that employs nearly 80 people in Finland.



Q2: BUSINESS REVIEW | SWEDEN

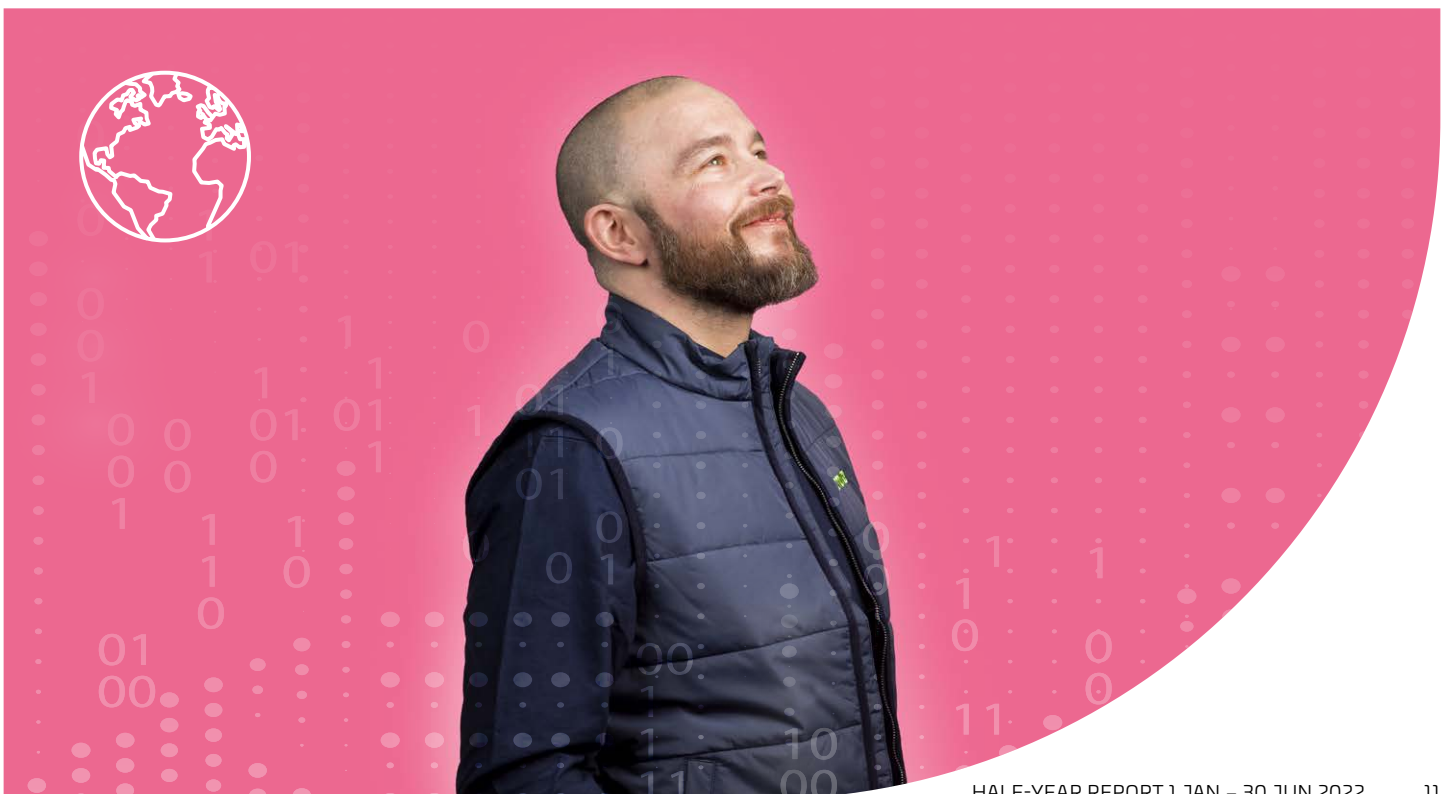
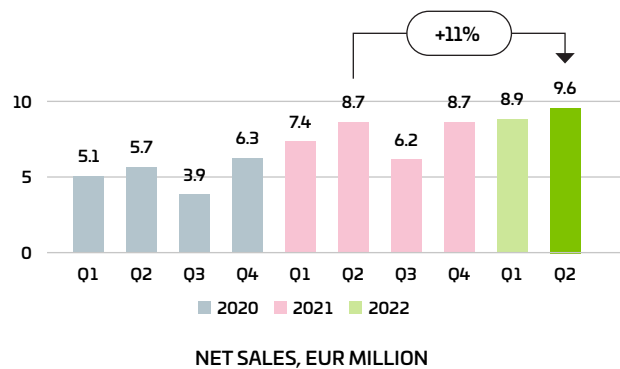
The net sales of business operations in **Sweden** increased by 11 percent in the second quarter compared to last year and amounted to EUR 9.6 (8.7) million. The majority of the net sales growth in the Swedish operations was organic. Net sales in Sweden accounted for approximately 19 (19) percent of the Group's total net sales.

Overall demand in the Swedish market remained stable and Sitowise's order book remained at a high level.

Business growth was supported by a wide selection of smaller projects and the winning of several larger projects. In June, Sitowise was selected to perform HVAC design for a new BREEAM-classified life science facility in Uppsala; the biggest such facility in the Nordic countries. It is being built by the world's largest independent dermatological company, Galderma. Growth was also supported by new modular element construction projects won by Sitowise (e.g. Tamarinden in Örebro and Kvarteret Johanna in Gothenburg) and additional orders related to the new emergency care hospital project in Västerås.

In June, Sitowise announced that it had acquired E60 Elkonsult AB in Norrtälje, a 10-person expert organization in electrical design with a long track record. The acquisition further expanded Sitowise's service offering in Sweden.

Demand in the Swedish market remained stable and Sitowise's order book remained at a high level.







SUSTAINABILITY

At the end of the second quarter of 2022, the sustainability tool developed by Sitowise was used in 68 percent (20%) of all new projects started in Finland. Sitowise’s aim is for all projects starting in the Group’s business areas to utilize the sustainability tool, thereby integrating corporate responsibility and sustainable development aspects into every client project. The tool is currently only used in Finland. It is intended that it will be implemented in Sweden during 2023.

As part of its sustainability program, Sitowise has set itself the goal of actively contributing to making the industry more sustainable. With respect to this goal, the indicators are the sustainability expertise and understanding of Sitowise’s employees. Another sustainability goal at Sitowise is to be the most equal workplace with the best employee wellbeing in the industry. A personnel survey in May indicated that the results had improved last year, especially with regards to the sustainability expertise of employees and their sense of equal treatment. The following indicators of the personnel survey (scale 1–5) show progress in the goals that have been set:

- In projects, we also discuss sustainability issues 3.37 (3.18)
- Everyone is treated equally at my workplace 4.13 (3.99)
- I know how sustainability issues affect my work 3.75 (3.61)

The implementation of the sustainability program approved by Sitowise’s Board of Directors in December 2021 began at the beginning of 2022 in both Finland and Sweden. The goals of the Sustainability Program 2025 are:

-  **Sitowise is carbon neutral by 2025**
-  **Sitowise is the most equal workplace with the best employee wellbeing in the industry**
-  **Sitowise aims for sustainable economic growth**
-  **Sitowise actively contributes to make the industry more sustainable**



PERSONNEL AND MANAGEMENT

PERSONNEL

	4-6/ 2022	4-6/ 2021	1-6/ 2022	1-6/ 2021	1-12/ 2021
Number of personnel, average	2,115	1,960	2,080	1,935	1,969
Number of personnel, at the end of the period	2,219	1,976	2,219	1,976	2,034

During the second quarter the growth in personnel was both due to acquisitions and organic growth.

GROUP MANAGEMENT TEAM

The Group's CEO changed in the second quarter, when Pekka Eloholma stepped down and Heikki Haasmaa started in the position of the Group's CEO on 1 May 2022. Sitowise's Board of Directors had appointed Heikki Haasmaa to the position in January.

In May, Sitowise announced that Taija Lehtola had been appointed as the company's Chief Human Resources Officer and a member of the Group Management Team as of 29 August 2022. In early 2022, Sitowise had announced that the previous Chief Human Resources Officer, Anne-May Asplund, would resign in February.

In June, Sitowise announced that Hanna Masala, had been appointed as the company's CFO and a member of the Group Management Team as of 1 October 2022. Sitowise's CFO Heidi Karlsson has resigned and will continue in her position until the end of September 2022.

Members of the Group Management Team on 30 June 2022:

- Heikki Haasmaa (Chief Executive Officer as from 1 May 2022)
- Heidi Karlsson (Chief Financial Officer until 30 September 2022)
- Jonas Larsson (Head of Swedish Operations)
- Jannis Mikkola (Deputy CEO and Business Director, Infrastructure)
- Timo Palonkoski (Deputy CEO and Business Director, Buildings)
- Turo Tinkanen (Chief Information Officer)
- Minttu Vilander (Chief Communications and Sustainability Officer)
- Teemu Virtanen (Business Director, Digital Solutions)

CORPORATE GOVERNANCE

ANNUAL GENERAL MEETING 2022 AND CONSTITUTIVE MEETING OF THE BOARD OF DIRECTORS

The Annual General Meeting of shareholders was held on 20 April 2022. The Annual General Meeting adopted the financial statements for the accounting period from 1 January until 31 December 2021 and discharged the persons who have acted as members of the Board of Directors and as CEO during the financial year from liability. The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors, that a dividend of EUR 0.10 per share would be distributed. The dividend was paid on 29 April 2022 to shareholders who on the dividend record date of 22 April 2022 were registered in the shareholder register of the company maintained by Euroclear Finland Ltd.

The Annual General Meeting decided that the seven members of the Board of Directors and their remuneration shall remain unchanged. For a term of office expiring at the end of the 2023 Annual General Meeting, the Annual General Meeting re-elected the following persons: Leif Gustafsson, Eero Heliövaara, Taina Kyllönen, Mirel Leino-Haltia, Elina Piispanen, Petri Rignell and Tomi Terho. The Annual General Meeting decided that the members of the Board of Directors will be paid the following remuneration:

- the fee for the chairman of the Board of Directors EUR 4,750 per month;
- the fee for other Board members EUR 2,250 per month;
- the meeting fee for the chairman of the Board of Directors and chairs of the board committees EUR 1,000 per meeting; and
- the meeting fee for other members of the Board of Directors and the other board committee members EUR 400 per meeting, with the exception that the nomination committee members are each paid a meeting fee of EUR 1,000 per meeting.

The travel expenses of the Board members are compensated in accordance with the company's travel rule.

KPMG Oy Ab, Authorized Public Accountants, was re-elected as the auditor of the company for a term ending at the end of the 2023 Annual General Meeting. Turo Koila, authorized public accountant, continues to serve as the auditor with principal responsibility. It was decided that the remuneration to the auditor shall be paid against a reasonable invoice.

The Annual General Meeting approved the remuneration policy for governing bodies. The decision to support the remuneration policy is advisory.

The authorization to the Board of Directors to repurchase the company's own shares, and to issue shares and special rights entitling to shares was renewed. The authorizations are presented under "Board authorizations".

At the constitutive meeting held after the Annual General Meeting, the Board of Directors elected Eero Heliövaara as its Chair and Tomi Terho as its Vice Chair. In addition, the Board of Directors appointed members to its committees. Eero Heliövaara was appointed as the Chair of the Nomination Committee and Petri Rignell and Tomi Terho as the members of the Nomination Committee. Mirel Leino-Haltia was elected as the Chair and Taina Kyllönen and Tomi Terho as the members of the Audit Committee. Eero Heliövaara was appointed as the Chair and Leif Gustafsson and Elina Piispanen as the members of the Personnel Committee. Tomi Terho was elected the Chair and Eero Heliövaara, Leif Gustafsson, and Petri Rignell were elected as the members of the Acquisitions Committee.

With the exception of Tomi Terho, the members of the Board are independent of the company and its significant shareholders; Terho represents Intera Partners, the company's largest shareholder.

BOARD AUTHORIZATIONS

The company has the following authorizations in force as decided by the Annual General Meeting on 20 April 2022:

The Board of Directors is authorized to decide on the issuance of shares as well as the issuance of special rights entitling to shares referred to in chapter 10 section 1 of the Finnish Companies Act as follows: The number of shares to be issued based on the authorization shall not exceed 3,500,000 shares in total, which corresponds to approximately 9.8 per cent of all of the shares in the company. The authorization covers both the issuance of new shares as well as the transfer of treasury shares held by the company. The Board of Directors decides on all other conditions of the issuance of shares and of special

rights entitling to shares. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization may be used, among other things, to finance and carry out acquisitions or other corporate transactions, to engagement, in incentive systems, in order to develop the company's capital structure, to broaden the company's ownership base, and for other purposes as determined by the company's Board of Directors.

The Board of Directors is authorized to decide on the repurchase of the company's own shares as follows: The number of own shares to be repurchased based on the authorization shall not exceed 3,500,000 shares in total, which corresponds to approximately 9.8 per cent of all of the shares in the company. However, the company together with its subsidiaries cannot at any moment own more than 10 per cent of all the shares in the company. Own shares can be repurchased only using the unrestricted equity of the company at a price formed in public trading on the date of the repurchase or otherwise at a price determined by the markets. The Board of Directors decides on all other matters related to the repurchase of own shares and, inter alia, derivatives can be used for the repurchase. Own shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).

The authorizations are effective until the beginning of the next Annual General Meeting, however, no longer than until 30 June 2023.

In connection with an acquisition on 31 January 2022, the Board of Directors decided on a directed issue of 95,532 shares by virtue of an earlier share issue authorization. On the basis of the current share issue authorization, the Board of Directors decided on directed share issues in connection with acquisitions on 31 May 2022 and 20 June 2022; 161,206, 44,843 and 171,771 shares were issued to a total of 377,820 shares. At the end of the review period on 30 June 2022, the remaining number of shares that could be issued under the authorization of the Board of Directors was 3,122,180.

On 17 March 2022, the Board of Directors decided to start repurchasing Sitowise's own shares on the basis of an earlier buyback authorization. The shares are repurchased to be used as contribution in possible corporate acquisitions and as a part of Sitowise's incentive programs. The maximum number of shares to be repurchased is 500,000 and the maximum monetary amount to be used for the repurchases is EUR 4.35 million. At the end of the review period, a total of 302,068 shares had been bought back on the basis of the earlier and current authorization (as disclosed in trading releases until 30 June 2022). At the end of the review period on 30 June 2022, the remaining number of shares that could be bought back under the Board's buyback authorization was 3,231,128 (as disclosed in trading releases until 30 June 2022).



Bogdan, Chief Design Engineer

SHARES AND SHAREHOLDERS

SHARES OUTSTANDING AND SHARE CAPITAL

At the end of the review period, Sitowise Group Plc's share capital was EUR 80,000.

The company has one class of shares. Each share entitles the holder to one vote and an equal dividend. In December 2021, the company decided to issue 250,000 new Sitowise shares to the company itself in a directed free issue. The shares were registered in the Trade Register on 3 January 2022 and were admitted to trading on the stock exchange list of Nasdaq Helsinki Oy on 4 January 2022. The total number of shares issued by the company after the registration of the new shares is 35,665,927.

On 17 March 2022, the Board of Directors of Sitowise Group Plc decided to start repurchasing Sitowise's own shares through a share repurchase program which was launched under the authorization given in the unanimous resolution of the shareholders of 3 March 2021.

At the end of the review period, the company held 106,577 own shares according to the shareholder register on 30 June 2022.

	30 Jun 2022	30 Jun 2021
Registered share capital, EUR thousand	80	80
Registered total number of shares	35,665,927	35,165,927
Shares owned by the company	106,577	0

TRADING OF SHARES

SITOWS Nasdaq Helsinki	4-6/2022	4-6/2021
Number of shares traded, million	1.5	3.2
Value of the trading, EUR million	8.5	27.5
Closing price on final day of trading, EUR	5.37	8.54
Volume-weighted average price, EUR	5.54	8.48
Highest price, EUR	6.79	10.05
Lowest price, EUR	4.69	8.2
Market capitalization (at the end of the period), EUR million	191.5	300.3

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

SHAREHOLDERS

At the end of the review period, 30 June 2022, the number of registered shareholders was 6,179 (7,004). Nominee-registered shareholders accounted for 35.6 (31.2) percent of the company's shares. The ten largest shareholders entered in the book-entry register maintained by Euroclear Finland Oy owned a total of 30.6 (33.0) percent. A list of these major shareholders is available on the company's website at www.sitowise.com.

In the table below, a list of the ten largest shareholders on 30 June 2022 is presented based on information from the Monitor service provided by the Swedish company Modular Finance AB: *)

Shareholder	# of shares	% of shares
1 Intera Fund III Ky	5,121,573	14.4%
2 Lannebo Fonder AB	2,220,344	6.2%
3 Didner & Gerge Småbolag	1,463,414	4.1%
4 Evli Finnish Small Cap	1,302,891	3.7%
5 Avanza Pension	1,110,089	3.1%
6 Ilmarinen Mutual Pension Insurance Company	1,071,500	3.0%
7 Capital Group Companies, Inc.	917,418	2.6%
8 SEB Finland Small Cap	873,388	2.4%
9 Skedevi Holding AB	850,000	2.4%
10 Mandatum Life Insurance Company Limited	840,861	2.4%
10 largest in total	15,771,478	44.2%
Outstanding shares on 30 June 2022	35,665,927	

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

FLAGGING NOTIFICATIONS

In the second quarter, Sitowise did not receive any notifications in accordance with Chapter 9, Section 5 of the Finnish Securities Markets Act.

RISKS AND UNCERTAINTIES

Significant risks and uncertainties related to the Sitowise Group's business include operational and damage risks, and strategic and financial risks, to which the Group's financial performance is vulnerable. An annual internal risk survey was initiated during the quarter now ended; it forms the basis for the Group's risk assessment and its results are reviewed by the business areas, Group Management Team and Board of Directors. The Sitowise Group's risk management process and responsibilities are described on the Group's website (www.sitowise.com).

As for the operational risks in the Sitowise Group, the personnel risks include the employee retention, the well-being of the personnel as well as the availability of new specialists. Sitowise's business is reliant on skilled personnel, and talented professionals are an important factor in securing profitable growth and business. Remote working which started due to the COVID-19 pandemic and which has continued poses a risk to employee retention and commitment to the Sitowise Group. Although the national remote work recommendation ended on 28 February 2022, remote working is widespread in some locations. The Sitowise Group's operational risks also include risks related to project work. Risks also include damage risks such as IT system and cybersecurity risks.

A strategic risk for the Sitowise Group is that the planned growth based on acquisitions will not materialize if suitable acquisition targets are not available, arrangements cannot be made at a financially reasonable valuation level or acquisitions involve liabilities that cannot be considered in the purchase price. Both the strategic and financial risks of the Sitowise Group include financial market uncertainty or rising interest rates which lead to higher financing costs and reduced availability (adequacy, timeliness and favorable terms), which is a noteworthy concern as

Sitowise finances its operations and investments with cash flow and debt financing, and relies on external financing to implement its growth strategy.

Sitowise Group has taken special care to evaluate potential financial risks since March 2020 due to the COVID-19 pandemic outbreak. The listing and the refinancing in connection with it strengthened the Group's liquidity, which has also been strengthened by monitoring trade receivables and cash flow more intensively. Uncertainties caused by general economic developments and changes in market conditions also represent business risks for the Sitowise Group.

Higher construction material costs, challenges in the availability of energy and accelerated inflation can cause market uncertainty and a decrease in economic activity, such as by leading to a decrease or postponement of investments and projects. Going forward, the consequences of the war in Ukraine might increase the risks of a slowdown in market growth in the construction sector as well, but in our view the direct impacts of the crisis on Sitowise are limited. The company does not have offices in Russia, Belarus or Ukraine, nor does it export to those countries. However, new sanctions imposed as a result of Russia's acts of war, changes in the operating environment outside the scope of the sanctions, and counter-sanctions may pose uncertainties.

Many of the risks associated with Sitowise Group and its business are characteristic of the business and typical in the industry. The risks are described very comprehensively in the listing prospectus published on 12 March 2021 and our 2021 Annual Report (available on our website www.sitowise.com), and they still form a set of current risks.

SEASONALITY

The seasonal variation of Sitowise's business is affected by the monthly allocation of the annual working days, which in turn is affected by the timing of public holidays (e.g. Easter and Christmas) and employee vacation periods. The Group's net sales and profitability are generally at their lowest in the third quarter due to the summer holidays. In addition to the normal seasonal fluctuations, the business year 2021 was affected by remote working periods due to COVID-19 restrictions, as well as by the shift in the timing of internal events, activities and holidays, and lower-than-normal sick leave.

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

	2022	2021	Difference
Q1	476	470	6
Q2	460	459	1
Q3	500	500	0
Q4	477	481	-4
Full year	1,914	1,911	3

QUARTERLY NET SALES AND EBITA OF THE GROUP

EUR million	Q1/2021	Q2/2021	Q3/2021	Q4/2021	Q1/2022	Q2/2022
Net sales	42.8	46.5	39.6	50.5	49.2	51.7
Other operating income	0.2	0.4	0.2	0.1	0.1	0.1
Materials and services	-2.4	-3.1	-3.8	-5.2	-4.1	-5.0
Personnel expenses	-29.1	-30.7	-24.3	-31.1	-32.2	-33.4
Other operating expenses	-4.9	-5.3	-4.9	-6.8	-5.9	-6.6
Depreciations	-1.8	-1.9	-1.9	-1.9	-1.9	-1.9
EBITA, adjusted	4.7	5.9	4.9	5.6	5.2	4.9
EBITA, adjusted %	11.0%	12.7%	12.4%	11.1%	10.6%	9.5%
Items affecting comparability	-0.6	-1.3	-0.3	-0.4	-1.7	-1.6
EBITA	4.1	4.7	4.6	5.2	3.5	3.3
EBITA %	9.5%	10.0%	11.6%	10.3%	7.2%	6.4%



MAIN EVENTS AFTER PERIOD-END

There have been no significant events since the review period.

Espoo, 16 August 2022
Sitowise Group Plc
Board of Directors

ADDITIONAL INFORMATION

Heikki Haasmaa, CEO,
heikki.haasmaa@sitowise.com | tel. +358 50 304 7765

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

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

FINANCIAL CALENDAR

Planned publication dates for the Sitowise Group's financial reports in 2022 are as follows:

- Interim Report, January–September 2022, on 2 November 2022

WEBCAST FOR ANALYSTS, MEDIA AND INVESTORS

17 August 2022 at 1:00 p.m. (EEST)

DISTRIBUTION:

Nasdaq Helsinki Ltd
Key media
www.sitowise.com



Minttu, Junior Designer

SITOWISE IN BRIEF:

Sitowise is a Nordic expert in the built environment and digital solutions. We provide design and consulting services to enable more responsible and smarter urban development as well as smooth transportation. We operate in three business areas in Finland and Sweden: real estate and buildings, infrastructure, and digital solutions.

We want to raise the bar for intelligence and sustainability, and that is why our vision is to be the most responsible partner in developing thriving and sustainable living environments. Sitowise has grown rapidly and profitably in recent years. The Group's net sales in 2021 were approximately EUR 179 million and the company employs more than 2,000 experts. Sitowise Group Plc is listed on Nasdaq Helsinki under the trading symbol SITOWS.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

EUR thousand	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Net sales	51,741	46,512	100,924	89,309	179,334
Other operating income	103	420	170	731	976
Materials and services	-5,046	-3,124	-9,181	-5,572	-14,589
Personnel expenses	-33,468	-31,014	-65,881	-60,296	-115,696
Other operating expenses	-8,133	-6,282	-15,429	-11,752	-24,064
Depreciation and amortization	-2,494	-2,316	-4,966	-4,568	-9,586
Operating profit	2,702	4,197	5,637	7,852	16,376
Financial income	102	150	131	150	184
Financial expenses	-439	-14	-1,866	-4,732	-6,270
Result before taxes	2,366	4,332	3,902	3,270	10,290
Income taxes	-805	-944	-1,212	-685	-2,388
Result for the period	1,561	3,389	2,691	2,585	7,903
Attributable to:					
Owners of the parent	1,506	3,331	2,646	2,541	7,827
Non-controlling interest	55	58	45	44	76
Other comprehensive income:					
Items that will not be reclassified as profit or loss					
Recognition of change in the fair value of other investments through comprehensive income	0	0	0	55	55
Items that may be reclassified to profit or loss					
Change in translation difference	-2,198	85	-1,688	-47	-204
Total comprehensive income	-638	3,474	1,002	2,594	7,754
Comprehensive income attributable to:					
Owners of the parent	-693	3,415	957	2,549	7,678
Non-controlling interest	55	58	45	44	76
Earnings per share:					
Earnings per share (EUR)	0.04	0.10	0.07	0.07	0.22
Diluted earnings per share (EUR)	0.04	0.09	0.07	0.07	0.22

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (unaudited)

EUR thousand	30 Jun 2022	30 Jun 2021	31 Dec 2021
Assets			
Goodwill	155,302	127,606	135,193
Other intangible assets	9,146	6,794	7,543
Tangible assets	30,614	31,834	31,421
Other shares, similar rights of ownership, and receivables	1,855	1,726	1,865
Deferred tax assets	1,394	1,638	1,077
Total non-current assets	198,312	169,597	177,098
Trade and other receivables	54,660	45,738	52,099
Deferred tax assets	1,184	911	1,204
Cash and cash equivalents	10,718	9,738	19,353
Total current assets	66,563	56,387	72,656
Total assets	264,875	225,984	249,754
EUR thousand	30 Jun 2022	30 Jun 2021	31 Dec 2021
Shareholders' equity and liabilities			
Share capital	80	80	80
Fund for invested unrestricted equity	96,567	93,756	95,310
Fair value reserve	285	285	285
Translation difference	-1,532	312	157
Retained earnings	18,058	13,450	18,840
Equity attributable to owners of the parent	113,458	107,883	114,672
Non-controlling interest	231	155	186
Total shareholders' equity	113,689	108,037	114,858
Deferred tax liabilities	1,671	1,954	1,565
Financial liabilities	87,557	61,640	70,983
Other liabilities	0	12	12
Total non-current liabilities	89,228	63,606	72,560
Income tax liabilities	1,343	1,441	2,273
Financial liabilities	7,545	6,619	7,624
Provisions	1,173	1,541	1,428
Trade payable and other liabilities	51,895	44,740	51,010
Total current liabilities	61,958	54,341	62,336
Total shareholders' equity and liabilities	264,875	225,984	249,754

CONSOLIDATED CASH FLOW STATEMENT (unaudited)

EUR thousand	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Cash flow from operating activities:					
Result for the period	1,561	3,389	2,691	2,585	7,903
Adjustments					
Income taxes	805	944	1,212	685	2,388
Depreciation and amortization	2,494	2,316	4,966	4,568	9,586
Financial income and expenses	337	-136	1,735	4,581	6,086
Other adjustments	68	136	117	71	154
Change in working capital					
Trade and other receivables, increase (-) / decrease (+)	-2,861	-2,270	62	933	-4,177
Trade and other payables, increase (+) / decrease (-)	-350	-1,260	-1,776	-5,067	878
Interest paid and other financial expenses	-408	-471	-915	-1,481	-2,430
Interest received and other financial income	10	152	39	152	186
Income taxes paid	-1,120	-561	-2,832	-2,353	-3,425
Net cash flows from operating activities	535	2,239	5,298	4,675	17,149
Cash flow from investing activities:					
Investments in tangible and intangible assets	-815	-514	-1,547	-914	-2,209
Acquisitions of subsidiaries, net cash acquired	-19,711	-1,170	-25,317	-9,280	-19,900
Net cash flows from investing activities	-20,525	-1,683	-26,864	-10,194	-22,109
Cash flow from financing activities:					
Payments from share issue	2,165	5,260	2,922	77,208	78,762
Paid IPO costs	0	-2,545	0	-4,915	-5,078
Share repurchase	-1,539	-1	-1,645	-22	-22
Dividend distribution and capital repayment	-3,545	-1,114	-3,545	-22,286	-22,286
Withdrawal of loans	19,000	0	19,000	39,619	50,119
Repayments of loans	-524	-4	-547	-72,729	-72,753
Repayments of subordinated loans	0	0	0	-14,145	-14,145
Lease liabilities, increase (+) / decrease (-)	-1,514	-1,488	-3,009	-2,895	-5,766
Net cash flow from financing activities	14,043	107	13,176	-166	8,831
Cash and cash equivalents at the start of the period	16,876	9,137	19,353	15,463	15,463
Change in cash and cash equivalents, increase (+) / decrease (-)	-5,947	663	-8,390	-5,685	3,871
Translation differences	-211	-62	-244	-40	19
Cash and cash equivalents at the end of the period	10,718	9,738	10,718	9,738	19,353

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY (unaudited)

EUR thousand	Equity attributable to owners of parent							Non-controlling interest	Total shareholders' equity
	Share capital	Fund for invested unrestricted equity	Fair value reserve	Subordinated loans	Translation differences	Retained earnings	Total		
Shareholders' equity 1 Jan 2022	80	95,310	285	0	156	18,840	114,672	186	114,858
Result for the period						2,646	2,646	45	2,691
Other comprehensive income			0	0	-1,688		-1,688		-1,688
Total comprehensive income	0	0	0	0	-1,688	2,646	957	45	1,002
Share issues		2,922					2,922		2,922
Share repurchase		-1,665					-1,665		-1,665
Dividend distribution and capital repayment						-3,545	-3,545		-3,545
Share-based incentive schemes						117	117		117
Transactions with owners	0	1,257	0	0	0	-3,428	-2,171	0	-2,171
Shareholders' equity 30 Jun 2022	80	96,567	285	0	-1,532	18,058	113,458	231	113,689
Shareholders' equity 1 Jan 2021	3	40,663	230	14,145	360	11,370	66,770	110	66,880
Result for the period						2,541	2,541	44	2,585
Other comprehensive income			55		-47	0	8		8
Total comprehensive income	0	0	55	0	-47	2,541	2,549	44	2,594
Fund increase	78	-78					0		0
Share issues		77,208					77,208		77,208
Costs related to IPO		-2,049					-2,049		-2,049
Share repurchase						-22	-22		-22
Dividend distribution and capital repayment		-21,988				-298	-22,286		-22,286
Subordinated loan				-14,145			-14,145		-14,145
Interest of subordinated loans						-198	-198		-198
Share-based incentive schemes						56	56		56
Transactions with owners	78	53,093	0	-14,145	0	-461	38,564	0	38,564
Shareholders' equity 30 Jun 2021	80	93,756	285	0	313	13,450	107,883	154	108,037

NOTES TO THE HALF-YEAR REPORT

Sitowise Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim information does not include all the notes presented in the consolidated financial statements for 2021; therefore it should be read in conjunction with the consolidated financial statements for 2021 prepared in accordance with IFRS. The same accounting principles have been applied in the interim financial information as in the consolidated financial statements. The interim report has not been audited.

The explanatory part of the interim report describes the effects of the COVID-19 pandemic and the war in Ukraine on the Sitowise Group in more detail. Otherwise, the key uncertainties related to decisions made by the management requiring discretion, the management's estimates, as well as key topics requiring discretion are the same as those in the 2021 financial statements.

1. NET SALES

Net sales by business area

EUR thousand	4-6/ 2022	4-6/ 2021	1-6/ 2022	1-6/ 2021	1-12/ 2021
Buildings	20,310	18,864	40,146	36,824	72,121
Infrastructure ²⁾	15,700	14,838	29,894	28,679	56,429
Digital Solutions ^{1), 2)}	6,132	4,128	12,401	7,705	19,759
Sweden	9,599	8,682	18,483	16,101	31,025
Total	51,741	46,512	100,924	89,309	179,334

¹⁾ Includes the Group's Swedish subsidiary, Infracontrol AB.

²⁾ Figures for the comparison year have been adjusted to reflect the current organizational structure.

Net sales by geographical area

EUR thousand	4-6/ 2022	4-6/ 2021	1-6/ 2022	1-6/ 2021	1-12/ 2021
Finland	40,273	37,677	78,823	72,865	144,456
Sweden	11,214	8,634	21,617	16,007	33,967
Other countries	254	201	484	438	912
Total	51,741	46,512	100,924	89,309	179,334

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

Revenue from client contracts expected to be recognized and related to the remaining performance obligations as of 30 June 2022 is approximately EUR 169 million.

2. ACQUISITIONS (Business combinations)

The Sitowise Group carried out three acquisitions during the second quarter. It acquired the Finnish companies Rakennuttajakaari Oy, which specializes in renovation, and Bitcomp Oy, a pioneer in forest IT systems, and the Swedish company E60 Elkonsult AB, an electrical design expert. The share capital of all these acquirees was bought in its entirety. Rakennuttajakaari Oy and E60 Elkonsult AB are included in the Group's consolidated income statement as of 06/2022. Bitcomp Oy will be included as of 07/2022.

Company	Time	Transaction method	Location	Personnel	Net sales in 2021
Mavacon AB	1/2022	Share purchase (100%)	Falun (Sweden)	13	2,3
VRT Survey	1/2022	Business acquisition	Jyväskylä	9	-
Rakennuttajakaari Oy	6/2022	Share purchase (100%)	Helsinki	45	5,0
E60 Elkonsult AB	6/2022	Share purchase (100%)	Norrköping (Sweden)	10	1,1
Bitcomp Oy	6/2022	Share purchase (100%)	Jyväskylä	80	5,7

The assets and liabilities of the acquired companies mainly include working capital items as well as separately identified assets related to client relationships and technologies, and the possible effects of exchange rate fluctuations. The estimated useful lives of separately identified assets are 5 years. The recognized goodwill is not tax deductible.

EUR thousand	1-6/2022
Purchase price	27,319
Assets	9,439
Liabilities	3,786
Net assets	5,468
Goodwill	21,851

3. FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES

Fair value hierarchy levels:

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

Financial assets

EUR thousand	Measured at amortized cost	Measured at fair value through other comprehensive income	Measured at fair value through profit or loss	Book value total	Fair value	Level
Non-current financial assets						
Other shares and holdings		731		731	731	Level 3
Loan receivables	917			917	917	Level 2
Other financial assets	208			208	208	Level 2
Current financial assets						
Trade receivables	32,799			32,799	32,799	Level 2
Cash and cash equivalents	10,718			10,718	10,718	Level 1
Financial assets 30 Jun 2022	44,642	731	0	45,373	45,373	

EUR thousand	Measured at amortized cost	Measured at fair value through other comprehensive income	Measured at fair value through profit or loss	Book value total	Fair value	Level
Non-current financial assets						
Other shares and holdings		731		731	731	Level 3
Loan receivables	917			917	917	Level 2
Other financial assets	79			79	79	Level 2
Current financial assets						
Trade receivables	28,569			28,569	28,569	Level 2
Cash and cash equivalents	9,738			9,738	9,738	Level 1
Financial assets 30 Jun 2021	39,303	731	0	40,034	40,034	

Financial liabilities

EUR thousand	Measured at amortized cost	Measured at fair value through other comprehensive income	Measured at fair value through profit or loss	Book value total	Fair value	Level
Non-current financial liabilities						
Loans from financial institutions	67,935			67,935	67,935	Level 2
Lease liabilities	19,623			19,623		Level 2
Current financial liabilities						
Loans from financial institutions	1,002			1,002	1,002	Level 2
Trade payables	6,627			6,627	6,627	Level 2
Additional purchase price liabilities			122	122	122	Level 3
Lease liabilities	6,543			6,543		Level 2
Financial liabilities 30 Jun 2022	101,729	0	122	101,851	75,685	

EUR thousand	Measured at amortized cost	Measured at fair value through other comprehensive income	Measured at fair value through profit or loss	Book value total	Fair value	Level
Non-current financial liabilities						
Loans from financial institutions	39,164			39,164	39,164	Level 2
Lease liabilities	22,476			22,476		Level 2
Current financial liabilities						
Loans from financial institutions	514			514	514	Level 2
Trade payables	4,125			4,125	4,125	Level 2
Additional purchase price liabilities			2,098	2,098	2,098	Level 3
Lease liabilities	6,105			6,105		Level 2
Financial liabilities 30 Jun 2021	72,385	0	2,098	74,483	45,902	

Loans from financial institutions consist of a floating rate bank loan. A term loan of approximately EUR 50 million has been drawn down from the financing agreement, but no other facilities are in use. The Group met all covenant conditions during the review period.

4. GUARANTEES AND CONTINGENT LIABILITIES

There were no significant changes during the second quarter and the company had bank guarantees of approximately EUR 2.6 million at the end of the review period.

5. SHARES

Number of shares used in calculating earnings per share

Exceptionally, due to the listing, the average number of shares for the first quarter has been calculated with the number of shares outstanding on 31 March 2021 in relation to the comparison periods. The diluted number of shares takes into account the shares of the personnel issue and other issues that had not been registered at the end of the review period.

	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Number of shares	35,665,927	35,165,927	35,665,927	35,165,927	35,415,927
Number of shares, average	35,665,927	35,062,534	35,663,149	35,062,534	35,290,804
Diluted number of shares	35,665,927	35,415,927	35,665,927	35,415,927	35,665,927
Diluted number of shares, average	35,665,927	35,065,281	35,665,927	35,415,927	35,333,200

6. RELATED PARTY TRANSACTIONS

At the end of March 2021, a long-term incentive plan was established in connection with the listing, i.e. an option program, the introduction of which has resulted in a total cost effect of EUR 68 thousand during the second quarter.

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

7. FINANCIAL AND ALTERNATIVE KEY FIGURES

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

The alternative key ratios to be reported are adjusted EBITDA, EBITA, adjusted EBITA and Net debt / EBITDA (adjusted).

Adjusted EBITDA and adjusted EBITA exclude material items that are not part of ordinary activities, but which affect comparability.

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

Key figures describing financial development

EUR thousand	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Net sales	51,741	46,512	100,924	89,309	179,334
Growth in net sales, %	11.2%	7.7%	13.0%	7.3%	12.0%
Adjusted organic growth in net sales, %	4%	-5%	5%	-3%	0%
EBITDA, adjusted	4,917	5,925	10,147	10,646	21,146
% of net sales	9.5%	12.7%	10.1%	11.9%	11.8%
EBITA	3,309	4,652	6,838	8,734	18,523
Operating profit (EBIT)	2,702	4,197	5,637	7,852	16,376
% of net sales	5.2%	9.0%	5.6%	8.8%	9.1%
Result for the period	1,561	3,389	2,691	2,585	7,903
Balance sheet total			264,875	225,984	249,754
Cash and cash equivalents			10,718	9,738	19,353
Net debt			58,218	29,941	30,859
Cash flow from operating activities before financial items and taxes	2,053	3,119	9,006	8,357	22,818
Earnings per share (EUR)	0.04	0.10	0.07	0.07	0.22
Diluted earnings per share (EUR)	0.04	0.09	0.07	0.07	0.22
Earnings per share, continuing operations (EUR)	0.04	0.10	0.07	0.07	0.22
Diluted earnings per share, continuing operations (EUR)	0.04	0.09	0.07	0.07	0.22
Return on equity (ROE), %			7.0%	8.8%	8.7%
Return on capital employed (ROCE), %			7.0%	9.1%	8.9%
Equity ratio, %			42.9%	47.8%	46.0%
Net debt / EBITDA, adjusted			2.7x	1.5x	1.4x
Gearing, %			51.2%	27.7%	26.9%
Number of personnel, average	2,115	1,960	2,080	1,935	1,969
Full-time equivalent (FTE), average	2,219	1,719	2,219	1,685	1,697
Utilization rate	76.3%	77.7%	76.0%	76.2%	76.6%

8. FORMULAS OF FINANCIAL AND ALTERNATIVE KEY FIGURES

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

9. RECONCILIATION OF ALTERNATIVE KEY FIGURES

EUR thousand	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Net sales	51,741	46,512	100,924	89,309	179,334
Adjusted organic growth in net sales, %					
Growth in net sales	11%	8%	13%	7%	12%
Impact of acquisitions	-8%	-10%	-9%	-9%	-11%
Impact of number of working days	0%	-1%	-1%	0%	0%
Impact of exchange rates	1%	-1%	1%	-1%	-1%
Adjusted organic growth in net sales, %	4%	-5%	5%	-3%	0%
EBITA					
Operating profit (EBIT)	2,702	4,197	5,637	7,852	16,376
Amortizations of intangible assets	-606	-456	-1,201	-882	-2,147
EBITA	3,309	4,652	6,838	8,734	18,523
EBITA %	6.4%	10.0%	6.8%	9.8%	10.3%
Items affecting comparability					
Restructuring costs	57	0	308	181	181
M&A and integration costs	1,332	1,030	2,209	1,250	1,683
Costs related to IPO readiness	0	0	0	196	196
Other	219	242	792	286	555
Items affecting comparability, EBITDA	1,608	1,272	3,309	1,913	2,615
Items affecting comparability, depreciations	0	0	0	0	8
Items affecting comparability, EBITA	1,608	1,272	3,309	1,913	2,623
EBITA, adjusted					
EBITA	3,309	4,652	6,838	8,734	18,523
Items affecting comparability, EBITA	1,608	1,272	3,309	1,913	2,623
EBITA, adjusted	4,917	5,925	10,147	10,646	21,146
EBITA, adjusted %	9.5%	12.7%	10.1%	11.9%	11.8%
EBITDA					
Operating profit (EBIT)	2,702	4,197	5,637	7,852	16,376
Depreciation and amortization	-2,494	-2,316	-4,966	-4,568	-9,586
EBITDA	5,197	6,513	10,603	12,419	25,962
EBITDA %	10.0%	14.0%	10.5%	13.9%	14.5%
Net debt					
Loans from financial institutions			68,937	39,679	50,212
Cash and cash equivalents			10,718	9,738	19,353
Net debt			58,218	29,941	30,859
EBITDA, adjusted (prev. 12 months)					
EBITDA (prev. 12 months)			24,146	23,644	25,962
Items affecting comparability, EBITDA (prev. 12 months)			4,011	2,507	2,615
Operational lease liabilities (IFRS16) (prev. 12 months)			6,220	6,190	6,148
EBITDA, adjusted (prev. 12 months)			21,937	19,960	22,429
Net debt / EBITDA, adjusted					
Net debt			58,218	29,941	30,859
EBITDA, adjusted (prev. 12 months)			21,937	19,960	22,429
Net debt / EBITDA, adjusted			2.7x	1.5x	1.4x
Gearing, %					
Total shareholders' equity			113,689	108,037	114,858
Net debt			58,218	29,941	30,859
Gearing, %			51.2%	27.7%	26.9%

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

The Smart City Company

SITOWISE