

SITOWISE GROUP PLC

# Q3: Strong growth and profitability

Interim Report  
1 January –  
30 September 2021



**SITOWISE**



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

## HIGHLIGHTS FROM JULY–SEPTEMBER

- Net sales increased by 15 percent to EUR 39.6 (34.4) million
- Adjusted EBITA was EUR 4.9 (4.4) million, or 12.4 (12.8) percent of net sales
- Order book increased by 33 percent and amounted to EUR 153 (115) million
- Sitowise acquired Infracontrol AB in Sweden, a company providing real time IT solutions for traffic and infrastructure
- Jonas Larsson was appointed as Head of Sitowise's Swedish operations and member of the Group Management Team. He begins in his position on 15 November 2021.

## HIGHLIGHTS FROM JANUARY–SEPTEMBER

- Net sales increased by 10 percent to EUR 128.9 (117.7) million
- Adjusted EBITA was EUR 15.6 (16.7) million, or 12.1 (14.2) percent of net sales
- Net debt / adjusted EBITDA declined to 2.0 (2.3) x
- Listing on Nasdaq Helsinki Ltd's main list in March
- Six acquisitions strengthened Sitowise's position in digital solutions and in sustainability services both in Finland and Sweden

## KEY FIGURES

EUR million	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Net sales	39.6	34.4	128.9	117.7	160.1
EBITA, adjusted	4.9	4.4	15.6	16.7	20.6
% of net sales	12.4%	12.8%	12.1%	14.2%	12.9%
EBITA	4.6	4.7	13.3	16.5	19.5
Operating profit	4.0	4.4	11.8	15.7	18.3
Cash flow from operating activities before financial items and taxes	0.4	4.9	8.8	19.3	31.5
Net debt			40.9	47.4	56.6
Net debt / EBITDA, adjusted			2.0x	2.3x	2.6x
Equity ratio, %			47.8%	33.0%	30.2%
Earnings per share (EPS), EUR *)	0.07	2.02	0.14	8.13	9.69
Number of personnel, average	1,990	1,847	1,953	1,820	1,823

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

## CEO PEKKA ELOHOLMA

We reached the growth we expected during the third quarter. Our net sales grew by 15% from the comparison period. We reached organic growth in Infrastructure, Digital Solutions, and Sweden. Our profitability was strong: adjusted EBITA was almost 5 million euros, or 12.4% of net sales. Our order book accelerated its growth from the second quarter of this year, increasing by 10% and hitting a new record level yet again.

During the third quarter, we won new significant projects which involve several of our business areas. Sitowise is on board the One-hour Turku Rail Link, for which we're responsible for designing the infrastructure between Lohja and Suomensjärvi. We also provide digital solutions in the form of the project's information management services. Another significant rail project is the Vantaa light rail, for which our Infrastructure and Buildings business areas are responsible for designing the Tikkurila section where the tram runs through a tunnel.

We updated our market study from a year ago this fall, and according to it, both the infrastructure and buildings consulting markets in Finland and Sweden will grow more during the upcoming years than estimated earlier. The findings are supported by the record-breaking order book of Sitowise, which has grown at a good pace since the beginning of the year. The price inflation and raw building material availability are still reflected as slow starts and progress of projects, but the construction industry generally expects a turn for the better during next year. Similarly large infrastructure projects such as the Finland Railway are still to come.

We welcomed Infracontrol to our company in July. The acquisition brings their real time digital solutions for traffic and infrastructure as part of Sitowise's digital solutions. Acquisitions are one of the corner stones of our growth strategy. We continue several on-going negotiations during the remainder of the year. Infracontrol is a model example of our acquisition strategy, as we seek growth especially in Sweden and digital solutions.

*Acquisitions are one of the corner stones of our growth strategy.*

Sitowise has with its clients promoted actions based on the UN Sustainable Development Goals by using its sustainability tool. The tool was used already in 41% of all new projects during the third quarter. Out of the goals, especially sustainable cities and communities, health and wellbeing, as well as industry, innovations and infrastructure are strongly featured in the client projects. Innovations are also promoted in Sitowise's RDI (research, development, and innovation) activities known as The Smart City Lab. The activities are supported by an online platform, which allows all Sitowise employees to take part in RDI as they get to present ideas, out of which the best ones move forward to be developed on the Group level. Promoting sustainability services is particularly prominent in the innovations, allowing even stronger development towards our vision. Sitowise aims to be the most sustainable and responsible partner in the industry in developing a prosperous living environment.

*Sitowise's RDI (research, development, and innovation) activities – known as The Smart City Lab – are supported by an online platform, which allows all Sitowise employees to take part in RDI as they get to present ideas.*



## OUTLOOK AND FINANCIAL TARGETS

### MARKET OUTLOOK

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

In the short-term, there is still uncertainty related to market development as well as the initiation and progress of projects. However, the market revitalization noticed that begun in early 2021 has continued, as the clients have been active, and the order book has grown.

### GUIDANCE

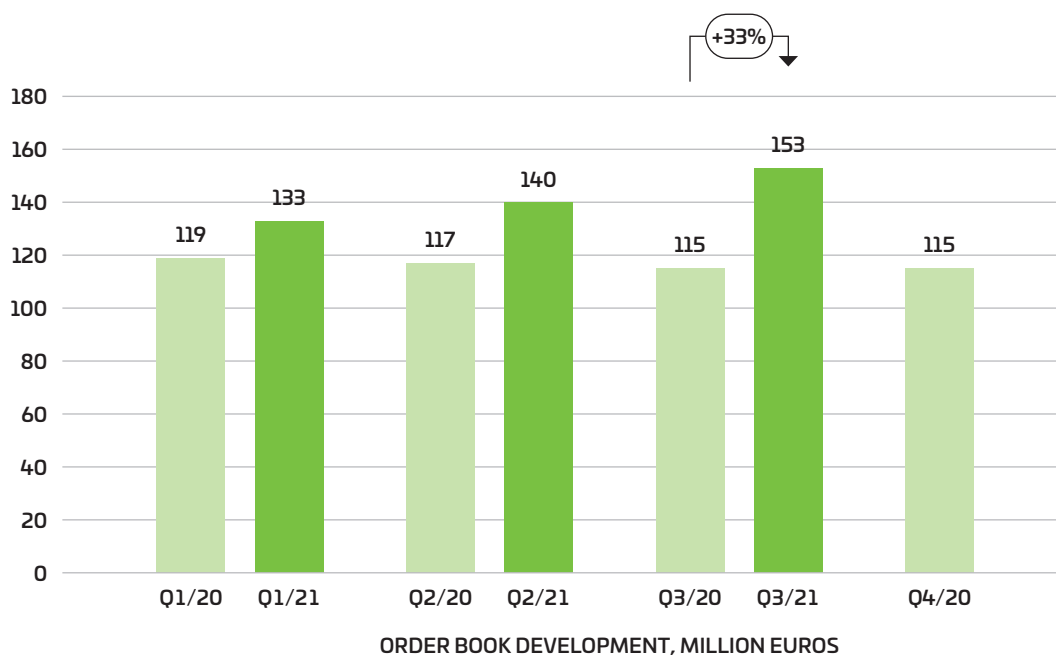
Sitowise Group has not published financial targets for 2021.

### LONG-TERM FINANCIAL TARGETS

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

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

## THE GROUP'S ORDER BOOK

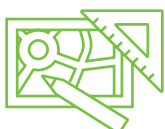


The market continued to pick up since the turn of the year, which was visibly reflected during the third quarter as noticeable strengthening of the order book. The order book was positively affected also by Sitowise's increased sales work and the completed acquisition. The Group's order book increased by 10 percent compared to the second quarter of 2021. From the end of last year, the order book increased by 33 percent.

## SITOWISE'S BUSINESS AREAS



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



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



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. The business area also includes digital solutions for traffic and infrastructure in Sweden.



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

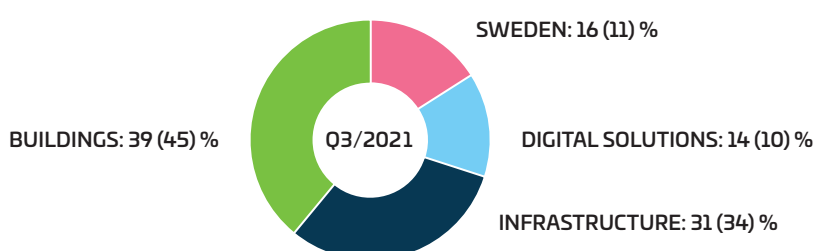
## THE GROUP'S NET SALES AND PROFITABILITY

### NET SALES

EUR million	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Buildings	15.5	15.5	52.3	52.9	70.8
Infrastructure	12.2	11.7	40.6	40.0	54.2
Digital Solutions *)	5.6	3.3	13.6	10.1	14.1
Sweden	6.2	3.9	22.3	14.8	21.1
<b>Total</b>	<b>39.6</b>	<b>34.4</b>	<b>128.9</b>	<b>117.7</b>	<b>160.1</b>

\*) Includes the Group's Swedish subsidiary Infracontrol AB.

### Share of the Group's net sales



**NET SALES IN JULY–SEPTEMBER**

The Group's net sales increased in the third quarter by 15 percent. The increase was primarily a result of acquisitions made at the end of last year and during this year. Organic adjusted net sales growth from Infrastructure and Digital Solutions business areas as well as operations in Sweden was on a good level. The Group's organic adjusted net sales was on the comparison period's level.

**NET SALES IN JANUARY–SEPTEMBER**

The Group's net sales increased in January–September by 10 percent. The increase was primarily a result of acquisitions made at the end of last year and the beginning of this year. Regardless of the increase in the number of personnel, organic adjusted net sales decreased from the comparison period. This was due to the timing of holidays and especially due to the unusually high utilization rate during the comparison period's second quarter, as majority of the time was spent on customer projects after shifting to remote work. Sitowise's listing process also temporarily reduced the utilization rate during the first quarter this year.

EUR million	7–9/2021	7–9/2020	1–9/2021	1–9/2020	1–12/2020
EBITA, adjusted	4.9	4.4	15.6	16.7	20.6
% of net sales	12.4%	12.8%	12.1%	14.2%	12.9%
EBITA	4.6	4.7	13.3	16.5	19.5
Operating profit	4.0	4.4	11.8	15.7	18.3
Result before taxes	3.3	3.3	6.6	12.8	15.9
Result from continuing operations	2.6	2.6	5.2	10.2	12.7
Earnings per share (EPS), EUR *)	0.07	2.02	0.14	8.13	9.69

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

**PROFITABILITY IN JULY–SEPTEMBER**

The **adjusted EBITA** increased with the net sales growth and despite of the comparison period's unusually low costs, which were caused by i.e. temporary work pension discounts. Expenses affecting comparability amounted to EUR -0.3 (0.3) million. The expenses related primarily to acquisitions.

The **operating profit** decreased due to non-recurring expenses, as the comparison period had non-recurring income related to the sale of Tele business.

The **result before taxes** was mainly affected by the new financing agreement that reduced financial expenses, which amounted to EUR -0.7 (-1.1) million.

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

**PROFITABILITY IN JANUARY–SEPTEMBER**

The decreased **adjusted EBITA** was a result of the first half-year's lower utilization rate due to the reasons mentioned in the January–September net sales section, as well as the comparison period's unusually low costs, which were caused by i.e. temporary work pension discounts. EBITA adjustments amounted to EUR 2.2 (0.2) million. The adjustments related primarily to acquisitions and to preparing the IPO readiness.

The **operating profit** decreased for the same reasons mentioned above, including the expenses affecting comparability.

The **result before taxes** was affected by financial income and expenses, which amounted to EUR -5.4 (-2.9) million and included, in addition to normal interest expenses, both listing expenses and unrealized foreign exchange losses as a result of the revaluation of SEK-denominated internal loans.

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

## FINANCIAL POSITION AND CASH FLOW

Equity attributable to owners of the parent company was EUR 111.5 (107.9 on 30 June 2021) million.

EUR million	30 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2020
Cash and cash equivalents	9.3	9.7	9.1	15.5
Interest bearing debt, total	50.2	39.7	39.6	72.0
<i>Interest bearing debt, current</i>	<i>0.5</i>	<i>0.5</i>	<i>0.0</i>	<i>3.3</i>
<i>Interest bearing debt, non-current</i>	<i>49.7</i>	<i>39.2</i>	<i>39.6</i>	<i>68.7</i>
Equity ratio, %	47.8%	47.8%	46.0%	30.2%
Net debt	40.9	29.9	30.5	56.6
Net debt / EBITDA, adjusted	2.0x	1.5x	1.4x	2.6x
Gearing, %	36.6%	27.7%	29.3%	84.6%

The Group's liquidity remained good. The listing and the related refinancing strengthened the Group's equity ratio and reduced gearing. The financing of the acquisitions and typical seasonal variation increased gearing in the third quarter.

Cash flow from operating activities before financial items and taxes was EUR 0.4 (4.9) million during the third quarter and it was still burdened by e.g. the cash effects transferred from the second quarter's working capital. In addition, the comparison period's cash flow was improved especially by the timing of the changes in working capital.

Cash flow from investing activities in July–September increased to EUR -9.7 (-1.6) million, mainly driven by acquisitions.

Cash flow from financing was EUR 10.0 (-2.0) million in the third quarter. Cash flow from financing was mainly affected by loan withdrawals and reinvestments to the company related to acquisitions.

The consolidated balance sheet total at the end of September was EUR 233.6 (226.0 on 30 June 2021) million. At the end of the third quarter, goodwill in the balance sheet amounted to EUR 133.9 (127.6 on 30 June 2021) million. No indications of impairment exist.



## BUSINESS REVIEW: BUILDINGS

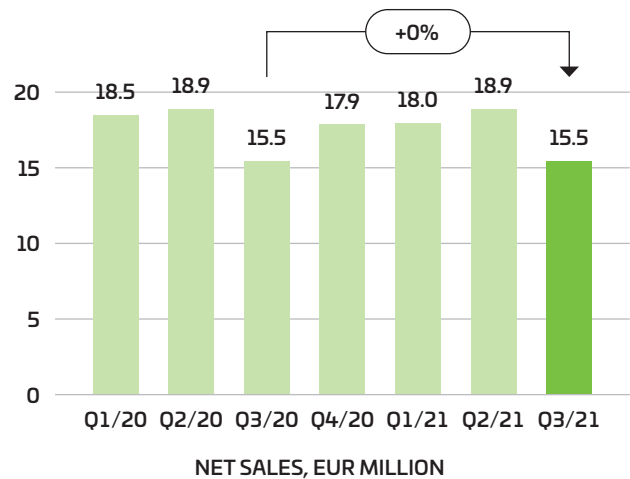


The **Buildings business area's** net sales remained unchanged in the third quarter at EUR 15.5 (15.5) million. The business area's share of the Group's net sales was approximately 39 (45) percent.

The Buildings business area's order book grew slightly during the third quarter. The COVID-19 pandemic as well as the price inflation and raw building material availability issues caused by it are slowing down the progress of projects. Price competition for new projects has become tight, and their starts are slower than usual.

One of the business area's most significant new projects during the third quarter was the Vantaa light rail. Sitowise's Buildings and Infrastructure business areas are together responsible for the Tikkurila section, which requires multidisciplinary expertise and mastering various types of engineering, from lighting to air conditioning to water and sanitation. There is also a demand for the Buildings business area's special expertise, as Paloässät, acquired at the end of 2020, is responsible for fire engineering design in the health and wellbeing center in downtown City of Helsinki, as well as in the swimming halls of Tapiola and Elmo in Espoo and Vantaa respectively.

*One of the Buildings business area's most significant new projects during the third quarter was the Vantaa light rail.*





## BUSINESS REVIEW: INFRASTRUCTURE

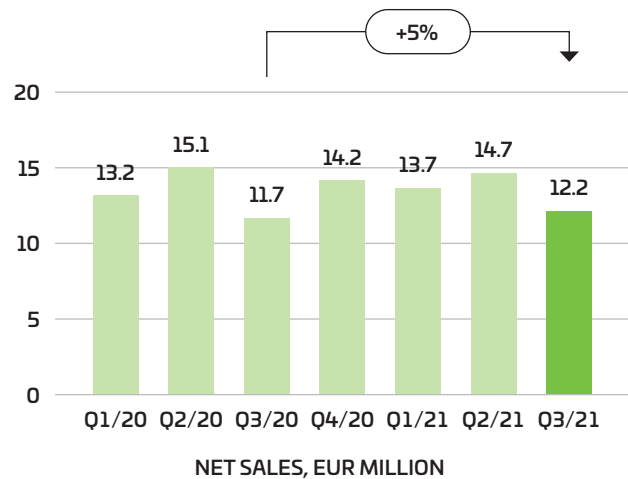


The net sales of the **Infrastructure business area** increased in the third quarter by 5 percent to EUR 12.2 (11.7) million. The business area's share of the Group's net sales was approximately 31 (34) percent.

The Infrastructure business area's order book remained on a strong level during the third quarter, but the utilization rate decreased slightly from the first half-year period. This was due to the timing of holidays and a result of organizing workplace social activities that have been postponed during the COVID-19 pandemic.

The third quarter's major project news for the Infrastructure business area was the Crown Bridges project moving to the implementation phase. The city council of Helsinki agreed on the project's updated budget, and the board of built environment decided to begin the implementation phase. Another significant project agreement is the One-hour Turku Rail Link, for which Sitowise is designing the Lohja–Suomusjärvi connection. The planning agreement is valued at approximately five million euros and the railway plan is due to be completed in 2023. Additionally, Sitowise is designing the Tikkurila section of the Vantaa light rail. The project also includes exceptional tunnel engineering in extreme ground conditions, as the tram will run in dense urban environment.

*One of the most significant project agreement is the One-hour Turku Rail Link, for which Sitowise is designing the Lohja–Suomusjärvi connection.*



**BUSINESS REVIEW: DIGITAL SOLUTIONS**

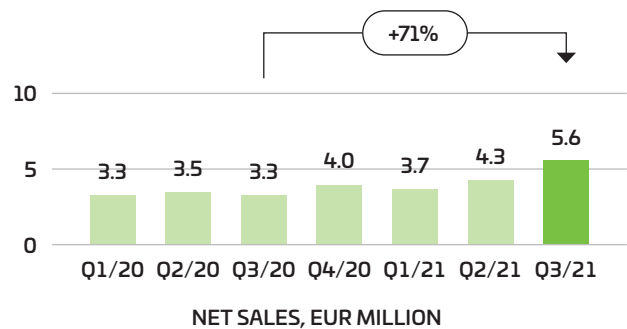


The net sales of the **Digital Solutions business area** increased by 71 percent in the third quarter to EUR 5.6 (3.3) million. The business area's share of the Group's net sales was approximately 14 (10) percent.

After a slow beginning of the year, the Digital Solutions' business developed more favorably during the third quarter. The order book grew at a good pace, and the sales work was successful. The competition for public administration's projects is heating up amongst IT companies, which has affected the projects' profitability. Sitowise has succeeded in becoming more recognized amongst industry professionals, and recruiting is progressing well. We've invested in finding synergies with Infracontrol which was acquired during summer. The acquisition forms synergies and makes it possible to cross-sell services, creating a competitive advantage in the long run.

During the third quarter, significant assignments for the Digital Solutions business area included application development and IT expert services for the City of Helsinki. In addition, the Digital Solutions are part of the Infrastructure business area's One-hour Turku Rail Link, for which Sitowise produces information management services – in addition to railway, bridge, and tunnel engineering. The business area also signed a significant agreement on rail network management consulting and expert services with the Finnish Rail Agency.

*The Digital Solutions are part of the One-hour Turku Rail Link, for which Sitowise produces information management services.*



*Sitowise has succeeded in becoming more recognized amongst IT industry professionals, and recruiting is progressing well.*



**BUSINESS REVIEW: SWEDEN**

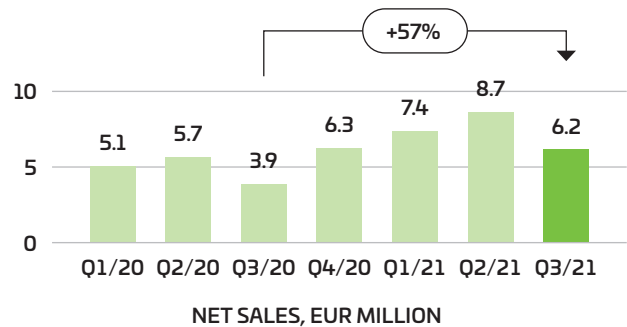


The net sales in **Sweden** increased by 57 percent in the third quarter from the comparison period to EUR 6.2 (3.9) million. The business area's share of the Group's net sales was approximately 16 (11) percent.

The Swedish infrastructure and construction market is returning to normal. The public sector construction projects are facing delays, and especially the starts of large projects are slow. At the same time, the competition for smaller projects is tough, although there are not that many of these projects. The market outlook in Sweden is nevertheless bright, as stimulus from public funding is estimated to impact the market favorably during the next years.

Sitowise has been successful in recruiting both young and experienced talents in Sweden during the third quarter. A significant project for the Swedish operations during the third quarter was the Podiet building that will wrap around the 73-floor and 245-meter tall Karlatornet skyscraper, which is being built as the landmark of Gothenburg. Sitowise is part of the structural design of the building that comprises of an office, a hotel, and a conference center.

*In Sweden Sitowise is part of the structural design of the Podiet building that comprises of an office, a hotel, and a conference center.*



## SUSTAINABILITY

At the beginning of 2021, Sitowise introduced a new sustainability tool as part of its digital collaboration platform Voima. With the help of the tool, sustainability assessment is integrated within project management process, and therefore included in all projects initiated by Sitowise in Finland. The tool is based on the UN Sustainable Development Goals (SDGs). The tool helps to better understand the sustainability implications of the company’s projects and the impact of the choices made by Sitowise employees and clients on the environment, people, and society. The tool is used to identify the most relevant topics of sustainability across all projects, and to record and monitor the measures taken within each project to promote sustainability.

During the period under review, already 41 percent of Sitowise’s new projects in Finland used the sustainability tool. Based on data gathered from the tool, the most significant impact of Sitowise’s projects was goal 11, which is sustainable cities and communities.

Sitowise’s vision is to be the industry’s most responsible partner in developing a thriving and sustainable living environment. From the standpoint of responsibility, the Group is committed to the long-term responsible development of its own operations as well as those of project-based and client-related work. Sitowise is also committed to reporting and measuring its sustainability efforts. In addition, the Group is constantly adapting its businesses related to social responsibility and sustainable development in order to rise to challenges and meet the changing needs of clients. Sitowise has compiled its corporate responsibility metrics and practices online at [www.sitowise.com/sustainability-sitowise](http://www.sitowise.com/sustainability-sitowise)



*During the period under review, already 41 percent of Sitowise’s new projects in Finland used the sustainability tool.*



## PERSONNEL AND MANAGEMENT

### PERSONNEL

	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Number of personnel, average	1,990	1,847	1,953	1,820	1,823
Number of personnel, at the end of the period	1,991	1,818	1,991	1,818	1,902

The increase in the number of personnel during the third quarter and the January–September period was driven both by acquisitions and organic growth.

### GROUP MANAGEMENT TEAM

There were no changes in the composition of the Management Team of Sitowise Group during the second quarter. Members of the Group Management Team on 30 September 2021:

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

Jonas Larsson was appointed as Head of Sitowise's Swedish operations and member of the Group Management Team on 18 August 2021. He begins in his position on 15 November 2021.

## CORPORATE GOVERNANCE

### BOARD AUTHORIZATIONS

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

The Board of Directors has been authorized to decide on a share issue as well as the issuance of option rights or other special rights entitling to shares within the meaning of Chapter 10, Section 1 of the Finnish Companies Act in one or several lots. The authorization includes both the issuance of new shares as well as the transfer of treasury shares. The total number of shares to be issued shall not exceed 3,500,000 shares, and the issuance of shares and of special rights entitling to shares could also be carried out in deviation from shareholders' pre-emptive rights (directed issue). The Board of Directors has been authorized to decide on the acquisition of the company's own shares. Based on the authorization, the total number of shares to be acquired may not exceed 3,500,000 shares. However, the company together with its subsidiaries cannot at any moment own more than 10 percent

### BOARD OF DIRECTORS

There were no changes in the composition of the Board of Directors of Sitowise Group during the second quarter. Members of the Group's Board of Directors on 30 September 2021:

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

All members of the Board of Directors are independent from the company and its major shareholders, excluding Tomi Terho, who represents the company's largest shareholder Intera.

of all the shares of the company. The Board of Directors decides on the manner of acquiring own shares, and derivative instruments, among others, may be used in the acquisition. Based on the authorization, own shares could be acquired at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the market. Furthermore, the acquisition of shares could also be carried out in deviation from the shareholders' pre-emptive rights (directed acquisition). Only the unrestricted equity of the company could be used to acquire own shares on the basis of the authorization. The authorizations will be effective until the end of the next Annual General Meeting, however no longer than until 30 June 2022.

At the end of June, the Board of Directors decided under the current authorization to issue 250,000 new company shares in a directed issue to the company itself. In addition, the Board of Directors decided to issue 157,392 own shares in directed issues related to acquisitions during June and July. At the end of the review period, 3,092,608 shares remain of the Board of Directors' authorization.

## SHARES AND SHAREHOLDERS

### SHARES OUTSTANDING AND SHARE CAPITAL

The company listed on Nasdaq Helsinki Ltd's main list in March. The new shares (672,053) subscribed for in the personnel issue were registered in the Trade Register on 14 April 2021, and the number of the company's shares increased to 35,165,927 shares.

At the end of the review period, Sitowise Group's share capital was EUR 80,000 and the total number of shares outstanding was 35,415,927. The company's Board of Directors decided on 29 June 2021, by virtue of the authorization granted by the unanimous resolution of the shareholders on 3 March 2021, to issue in a directed issue 250,000 new Sitowise shares to the company itself. The shares were registered in the Trade Register on 9 July 2021 and admitted for trading on the official list of Nasdaq Helsinki Ltd on 12 July 2021. As a result of the share issue, the number of shares in Sitowise increased to 35,415,927.

	30 Sep 2021	30 Jun 2021	31 Mar 2021
Registered share capital, EUR thousand	80	80	80
Registered total number of shares	35,415,927	35,165,927	34,493,874
Shares owned by the company	92,608	0	0

The company has one class of shares. Each share entitles its holder to one vote and an equal dividend. At the end of the previous financial year, 31 December 2020, Sitowise Group had four classes of shares entitling their holders to different numbers of votes and distribution of funds.

### TRADING OF SHARES

SITOWS Nasdaq Helsinki	7-9/2021	1-9/2021
Number of shares traded, million	14.9	17.8
Value of the trading, EUR million	12.6	147.5
Closing price on final day of trading, EUR	7.97	7.97
Volume-weighted average price, EUR	8.45	8.28
Highest price, EUR	8.94	10.05
Lowest price, EUR	7.90	7.90
Market capitalization (at the end of the period), EUR million	282.3	282.3

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 September 2021, the number of registered shareholders was 6,581 (7,004 on 30 June 2021). Nominee-registered shareholders accounted for 31.4 percent (31.2 percent on 30 June 2021) of the company's shares. The ten largest shareholders entered in the book-entry register maintained by Euroclear Finland Oy owned a total of 32.6 percent (33.0 percent on 30 June 2021). A list of these major shareholders is available on the company's website at [www.sitowise.com](http://www.sitowise.com).

In the table below, a list of the ten largest shareholders on 30 September 2021 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	14.46 %
2 Capital Group Companies, Inc.	2,042,482	5.77 %
3 Avanza Pension	1,960,089	5.53 %
4 Lannebo Fonder AB	1,871,655	5.28 %
5 Didner & Gerge Småbolag	1,463,414	4.13 %
6 Evli Finnish Small Cap	1,335,000	3.77 %
7 Ilmarinen Mutual Pension Insurance Company	1,300,000	3.67 %
8 Paradigm Capital Value Fund	1,219,512	3.54 %
9 Skedevi Holding AB	841,640	2.38 %
10 Mandatum Life Insurance Company Limited	841,112	2.37 %
<b>10 largest in total</b>	<b>17,996,477</b>	<b>50.91 %</b>
Total shares on 30 September 2021	35,415,927	

\*) 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 in addition the company publishes the flagging notifications it receives as stock exchange releases.

### FLAGGING NOTIFICATIONS

During the third quarter Sitowise received the following announcements in accordance with Chapter 9 Section 5 of the Finnish Securities Market Act:

- Försäkringsaktiebolaget Avanza Pension's indirect holding in Sitowise's shares and votes increased to more than 5 percent (25 August 2021).

## RISKS AND UNCERTAINTIES

Sitowise Group's financial performance is vulnerable to strategic, operational, and financial risks. Uncertainties triggered by general economic development are the most significant risks in the group's business operations. Sitowise's business is based on skilled personnel, and the availability of skilled professionals is an important contributor to ensuring profitable growth and business. Sitowise Group's risk management process and risks are described in more detail on the group's website and in the offering circular ([www.sitowise.com](http://www.sitowise.com)).

New risks identified since the publication of the offering circular relate to the observed increasing cost and shortages of raw building materials such as lumber and steel. This might cause an increasing number of project postponements during the second half of 2021, although it is yet unclear what the impact will be.

### COVID-19 PANDEMIC

Sitowise Group's top priority during the COVID-19 pandemic has been employee health and client safety. Our personnel have adapted well to the COVID-19 era model of remote working. Special attention has been given to the impact – both physical and mental – of the remote work. During the spring and summer, Sitowise prepared its personnel's return to the office. As part of it, new options were defined for office and remote working models depending on the person's job description. An essential part of these models is to consider the personnel's wellbeing and work fluency. More permanent hybrid work models are being piloted during the rest of the year, and the work models will be more widely adapted from the beginning of 2022.

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

## QUARTERLY NET SALES AND EBITA OF THE GROUP

EUR million	Q1/2020	Q2/2020	Q3/2020	Q4/2020	Q1/2021	Q2/2021	Q3/2021
<b>Net sales</b>	<b>40.0</b>	<b>43.2</b>	<b>34.4</b>	<b>42.4</b>	<b>42.8</b>	<b>46.5</b>	<b>39.6</b>
Other operating income	0.1	0.2	0.0	0.2	0.2	0.4	0.2
Material and services	-3.1	-3.5	-2.9	-3.8	-2.4	-3.1	-3.8
Personnel expenses	-25.9	-26.9	-21.3	-27.8	-29.1	-30.7	-24.3
Other operating expenses	-4.5	-4.2	-4.2	-5.4	-4.9	-5.3	-4.9
Depreciations	-1.6	-1.7	-1.7	-1.8	-1.8	-1.9	-1.9
<b>EBITA, adjusted</b>	<b>5.2</b>	<b>7.2</b>	<b>4.4</b>	<b>3.9</b>	<b>4.7</b>	<b>5.9</b>	<b>4.9</b>
EBITA, adjusted %	12.9%	16.6%	12.8%	9.2%	11.0%	12.7%	12.4%
Items affecting comparability	-0.3	-0.2	0.3	-0.9	-0.6	-1.3	-0.3
<b>EBITA</b>	<b>4.9</b>	<b>6.9</b>	<b>4.7</b>	<b>3.0</b>	<b>4.1</b>	<b>4.7</b>	<b>4.6</b>
EBITA %	12.2%	16.0%	13.7%	7.1%	9.5%	10.0%	11.6%

## SEASONALITY

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

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

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

## MAIN EVENTS AFTER PERIOD-END

No main events after the reporting period.

Espoo, 10 November 2021  
Sitowise Group Plc  
Board of Directors

## ADDITIONAL INFORMATION

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### FINANCIAL CALENDAR

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

- Year-end report, January–December 2021, 2 March 2022
- Q1 Interim Report, January–March 2022, 18 May 2022
- Q2 Half-Year Report, January–June 2022, 17 August 2022
- Q3 Interim Report, January–September 2022, 2 November 2022

### WEBCAST FOR ANALYSTS, MEDIA, AND INVESTORS

10 November 2021 at 1.00 p.m. (EET)

### DISTRIBUTION:

Nasdaq Helsinki Ltd  
Key media  
www.sitowise.com

### INFORMATION ABOUT SITOWISE:

Sitowise is a Nordic expert in the built environment that offers sustainable design and consulting services. Sitowise operates in various size projects to enable more responsible and smarter urban development as well as smooth transportation. Sitowise offers its services in the following areas: Buildings, Infrastructure and Digital Solutions. Sitowise's operations are primarily in Finland and Sweden, and it also has competence centers in Estonia and Latvia mainly serving Sitowise's projects in Finland and Sweden. The group's net sales was approximately EUR 160 million in 2020 and the company employs about 2,000 experts.



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**

EUR thousand	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
<b>Net sales</b>	<b>39,570</b>	<b>34,429</b>	<b>128,879</b>	<b>117,682</b>	<b>160,082</b>
Other operating income	185	632	916	931	1,365
Material and services	-3,782	-2,861	-9,354	-9,408	-13,220
Personnel expenses	-24,320	-21,298	-84,616	-74,008	-101,935
Other operating expenses	-5,181	-4,468	-16,934	-13,708	-20,012
Depreciation and amortization	-2,503	-2,008	-7,070	-5,808	-8,008
<b>Operating result</b>	<b>3,969</b>	<b>4,425</b>	<b>11,821</b>	<b>15,681</b>	<b>18,272</b>
Financial income	9	7	159	75	1,163
Financial expenses	-693	-1,127	-5,425	-2,930	-3,539
<b>Result before taxes</b>	<b>3,285</b>	<b>3,305</b>	<b>6,555</b>	<b>12,825</b>	<b>15,896</b>
Income taxes	-682	-668	-1,367	-2,594	-3,215
<b>Result from continuing operations</b>	<b>2,603</b>	<b>2,637</b>	<b>5,188</b>	<b>10,231</b>	<b>12,681</b>
<b>Discontinued operations</b>					
Result from discontinued operations	0	-57	0	118	118
<b>Result for the period</b>	<b>2,603</b>	<b>2,580</b>	<b>5,188</b>	<b>10,349</b>	<b>12,798</b>
<b>Attributable to:</b>					
Owners of the parent	2,547	2,598	5,088	10,348	12,728
Non-controlling interest	56	-19	101	1	70
<b>Other comprehensive income:</b>					
<b>Items that will not be reclassified as profit or loss</b>					
Recognition of change in the fair value of other investments through comprehensive income	0	0	55	230	230
<b>Items that may be reclassified to profit or loss</b>					
Change in translation difference	-38	-34	-84	-37	243
<b>Total comprehensive income</b>	<b>2,565</b>	<b>2,546</b>	<b>5,159</b>	<b>10,541</b>	<b>13,271</b>
<b>Comprehensive income attributable to:</b>					
Owners of the parent	2,509	2,564	5,059	10,541	13,201
Non-controlling interest	56	-19	101	1	70
<b>Earnings per share: *)</b>					
Earnings per share (EUR)	0.07	2.02	0.14	8.13	9.69
Diluted earnings per share (EUR)	0.07	2.04	0.14	8.11	9.63
<b>Earnings per share (continuing operations): *)</b>					
Earnings per share (EUR)	0.07	2.07	0.14	8.04	9.60
Diluted earnings per share (EUR)	0.07	2.08	0.14	8.02	9.54

\*) Earnings per share are not comparable due to changes in the number of shares. The numbers of shares used for calculating earnings per share are available in Note 5.

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**

EUR thousand	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>Assets</b>			
Goodwill	133,860	103,102	118,081
Other intangible assets	7,777	4,101	5,681
Tangible assets	31,584	33,664	34,174
Other shares, similar rights of ownership, and receivables	1,880	1,638	1,682
Deferred tax assets	1,782	1,483	304
<b>Total non-current assets</b>	<b>176,884</b>	<b>143,988</b>	<b>159,922</b>
Trade and other receivables	45,976	38,660	45,404
Deferred tax assets	1,428	632	740
Cash and cash equivalents	9,265	18,587	15,463
<b>Total current assets</b>	<b>56,668</b>	<b>57,879</b>	<b>61,607</b>
<b>Total assets</b>	<b>233,553</b>	<b>201,867</b>	<b>221,528</b>

EUR thousand	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>Shareholders' equity and liabilities</b>			
Share capital	80	3	3
Fund for invested unrestricted equity	94,823	41,433	40,663
Fair value reserve	285	230	230
Subordinated loans	0	14,145	14,145
Translation difference	275	80	360
Retained earnings	16,049	10,516	11,370
<b>Equity attributable to owners of the parent</b>	<b>111,512</b>	<b>66,405</b>	<b>66,770</b>
Non-controlling interest	211	292	110
<b>Total shareholders' equity</b>	<b>111,722</b>	<b>66,698</b>	<b>66,880</b>
Deferred tax liabilities	2,055	1,358	1,985
Financial liabilities	71,721	86,903	92,554
Other liabilities	12	13	12
<b>Total non-current liabilities</b>	<b>73,787</b>	<b>88,275</b>	<b>94,551</b>
Income tax liabilities	1,958	2,615	1,608
Financial liabilities	6,989	9,095	9,379
Provisions	1,477	2,071	1,793
Trade payable and other liabilities	37,619	33,114	47,317
<b>Total current liabilities</b>	<b>48,043</b>	<b>46,895</b>	<b>60,098</b>
<b>Total shareholders' equity and liabilities</b>	<b>233,553</b>	<b>201,867</b>	<b>221,528</b>

**CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)**

EUR thousand	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
<b>Cash flow from operating activities:</b>					
Result for the period	2,603	2,580	5,188	10,349	12,798
Adjustments					
Income taxes	682	668	1,367	2,594	3,215
Depreciation and amortization	2,503	2,008	7,070	5,808	8,008
Financial income and expenses	684	1,120	5,266	2,855	2,376
Other adjustments	32	609	103	613	694
Change in working capital					
Trade and other receivables, increase (-) / decrease (+)	726	2,755	1,660	2,277	-700
Trade and other payables, increase (+) / decrease (-)	-6,786	-4,881	-11,853	-5,203	5,117
Interest paid and other financial expenses	-455	-695	-1,936	-2,138	-6,495
Interest received and other financial income	12	11	164	75	73
Income taxes paid	-714	-216	-3,067	-718	-959
<b>Net cash flows from operating activities</b>	<b>-713</b>	<b>3,960</b>	<b>3,962</b>	<b>16,512</b>	<b>24,128</b>
<b>Cash flow from investing activities:</b>					
Investments in tangible and intangible assets	-412	-710	-1,326	-1,903	-3,133
Acquired and divested businesses	0	737	0	737	739
Acquisitions of subsidiaries, net cash acquired	-9,320	-1,590	-18,600	-6,637	-21,717
Purchase and sale of other shares	0	0	0	-24	-24
<b>Net cash flows from investing activities</b>	<b>-9,732</b>	<b>-1,563</b>	<b>-19,925</b>	<b>-7,826</b>	<b>-24,135</b>
<b>Cash flow from financing activities:</b>					
Payments from share issue	1,067	173	78,275	962	3,761
Paid IPO costs	-163	0	-5,078	0	0
Share repurchases	0	-1,218	-22	-1,410	-1,613
Dividend distribution and capital repayment	0	0	-22,286	-662	-2,618
Withdrawal of loans	10,500	1,380	50,119	6,730	14,559
Repayments of loans	-21	-919	-72,750	-2,390	-4,091
Repayments of subordinated loans	0	0	-14,145	0	0
Lease liabilities, increase (+) / decrease (-)	-1,425	-1,379	-4,320	-3,672	-5,011
<b>Net cash flow from financing activities</b>	<b>9,959</b>	<b>-1,963</b>	<b>9,793</b>	<b>-442</b>	<b>4,987</b>
Cash and cash equivalents at the start of the period	9,738	18,193	15,463	10,346	10,346
Change in cash and cash equivalents, increase (+) / decrease (-)	-486	434	-6,171	8,244	4,980
Translation differences	12	-41	-28	-3	137
<b>Cash and cash equivalents at the end of the period</b>	<b>9,265</b>	<b>18,587</b>	<b>9,265</b>	<b>18,587</b>	<b>15,463</b>

## STATEMENT OF CHANGES IN CONSOLIDATED INCOME (UNAUDITED)

EUR thousand	Equity attributable to owners of parent						Total	Non-controlling interest	Total shareholders' equity
	Share capital	Fund for invested unrestricted equity	Fair value reserve	Subordinated loans	Translation differences	Retained earnings			
<b>Shareholders' equity 1 Jan 2021</b>	<b>3</b>	<b>40,663</b>	<b>230</b>	<b>14,145</b>	<b>360</b>	<b>11,370</b>	<b>66,770</b>	<b>110</b>	<b>66,880</b>
Result for the period						5,088	5,088	101	5,188
Other comprehensive income			55		-84	0	-29		-29
Total comprehensive income	0	0	55	0	-84	5,088	5,059	101	5,159
Fund increase	78	-78					0		0
Share issues		78,275					78,275		78,275
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
Repayment of subordinated loans				-14,145			-14,145		-14,145
Interest of subordinated loans						-198	-198		-198
Share-based incentive programs						109	109		109
Transactions with owners	78	54,160	0	-14,145	0	-409	39,684	0	39,684
<b>Shareholders' equity 30 Sep 2021</b>	<b>80</b>	<b>94,823</b>	<b>285</b>	<b>0</b>	<b>276</b>	<b>16,049</b>	<b>111,511</b>	<b>211</b>	<b>111,722</b>
<b>Shareholders' equity 1 Jan 2020</b>	<b>3</b>	<b>40,471</b>	<b>0</b>	<b>14,145</b>	<b>117</b>	<b>2,343</b>	<b>57,078</b>	<b>291</b>	<b>57,369</b>
Result for the period						10,349	10,349	-1	10,349
Adjustments for the previous financial year						-97	-97		-97
Other comprehensive income			230		-37		193		193
Total comprehensive income	0	0	230	0	-37	10,252	10,445	-1	10,444
Share issues		962					962		962
Share repurchases						-1,418	-1,418		-1,418
Dividend distribution						-662	-662		-662
Transactions with non-controlling interests							0	2	2
Transactions with owners	0	962	0	0	0	-2,080	-1,118	2	-1,116
<b>Shareholders' equity 30 Sep 2020</b>	<b>3</b>	<b>41,433</b>	<b>230</b>	<b>14,145</b>	<b>80</b>	<b>10,516</b>	<b>66,405</b>	<b>292</b>	<b>66,698</b>

## NOTES TO THE INTERIM REPORT

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

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

In April 2021, IFRS Interpretations Committee (IFRIC) issued the final agenda decision on accounting configuration and customization costs of cloud computing arrangements (IAS Intangible Assets). In the agenda decision IFRIC observed whether the customer recognizes an intangible asset for the configuration and customization of an application in accordance with the IAS 38 standard, and if the intangible asset isn't recognized, how does the customer recognize those configuration and customization costs. IFRIC's agenda decisions do not have an effective date, so they are expected to be implemented as soon as possible. As the Group does have cloud computing arrangements in use, it has begun analyzing whether this agenda decision has an effect on the accounting principles applied to the costs of deploying cloud services. The analysis will be carried out in the Group during fall 2021, and potential effects will be applied retrospectively latest in the annual report of 2021.

### Net sales by business area

EUR thousand	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Buildings	15,516	15,529	52,340	52,902	70,789
Infrastructure	12,229	11,684	40,638	39,993	54,164
Digital Solutions	5,633	3,285	13,603	10,076	14,088
Sweden	6,185	3,929	22,286	14,752	21,087
Other	8	2	13	-40	-46
<b>Total</b>	<b>39,570</b>	<b>34,429</b>	<b>128,879</b>	<b>117,682</b>	<b>160,082</b>

### Net sales by geographical area

EUR thousand	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Finland	31,667	30,237	104,532	102,153	138,043
Sweden	7,674	3,894	23,681	14,647	20,942
Other countries	228	298	666	882	1,097
<b>Total</b>	<b>39,570</b>	<b>34,429</b>	<b>128,879</b>	<b>117,682</b>	<b>160,082</b>

### 1. NET SALES

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

Revenue from client contracts expected to be recognized and relating to remaining performance obligations by 30 September 2021 amount to approximately EUR 153 million.

### 2. BUSINESS COMBINATIONS

At the beginning of the third quarter, the Sitowise Group acquired Infracontrol AB, who provide real time IT solutions for traffic and infrastructure. The acquisition was included in the consolidated income statement from the beginning of July. The acquisition was made in cash.

Company	Time	Transaction method	Location	Personnel
Infracontrol AB	7/2021	Share purchase (100%)	Mölnadal (Sweden)	29

The assets and liabilities of the acquired company mainly include working capital items as well as separately identified assets related to client relationships and technologies. The estimated useful lives of separately identified assets are five years. Recognized goodwill is not tax deductible.

EUR thousand	1-9/2021
Purchase price	20,739
Assets	8,345
Liabilities	3,386
<b>Net assets</b>	<b>4,959</b>
Goodwill	15,780

### 3. FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS

Fair value hierarchy levels:

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

#### Financial assets

EUR thousand	Measured at amortized cost	Measured at fair value through other comprehensive income	Measured at fair value through profit and loss	Book value total	Fair value	Level
<b>Non-current financial assets</b>						
Other shares and holdings		731		731	731	Level 3
Loan receivables	917			917	917	Level 2
Other financial assets	233			233	233	Level 2
<b>Current financial assets</b>						
Trade receivables	28,123			28,123	28,123	Level 2
Cash and cash equivalents	9,265			9,265	9,265	Level 1
<b>Financial assets 30 Sep 2021</b>	<b>38,537</b>	<b>731</b>	<b>0</b>	<b>39,268</b>	<b>39,268</b>	

EUR thousand	Measured at amortized cost	Measured at fair value through other comprehensive income	Measured at fair value through profit and loss	Book value total	Fair value	Level
<b>Non-current financial assets</b>						
Other shares and holdings		663		663	663	Level 3
Loan receivables	917			917	917	Level 2
Other financial assets	102			102	102	Level 2
<b>Current financial assets</b>						
Trade receivables	30,232			30,232	30,232	Level 2
Cash and cash equivalents	15,463			15,463	15,463	Level 1
<b>Financial assets 31 Dec 2020</b>	<b>45,696</b>	<b>1,682</b>	<b>0</b>	<b>47,378</b>	<b>47,378</b>	

EUR thousand	Measured at amortized cost	Measured at fair value through other comprehensive income	Measured at fair value through profit and loss	Book value total	Fair value	Level
<b>Non-current financial assets</b>						
Other shares and holdings		663		663	663	Level 3
Loan receivables	917			917	917	Level 2
Other financial assets	58			58	58	Level 2
<b>Current financial assets</b>						
Trade receivables	23,752			23,752	23,752	Level 2
Cash and cash equivalents	18,587			18,587	18,587	Level 1
<b>Financial assets 30 Sep 2020</b>	<b>43,314</b>	<b>663</b>	<b>0</b>	<b>43,977</b>	<b>43,977</b>	

**Financial liabilities**

EUR thousand	Measured at amortized cost	Measured at fair value through other comprehensive income	Measured at fair value through profit and loss	Book value total	Fair value	Level
<b>Non-current financial liabilities</b>						
Loans from financial institutions	49,679			49,679	49,679	Level 2
Lease liabilities	22,042			22,042	22,042	Level 2
<b>Current financial liabilities</b>						
Loans from financial institutions	508			508	508	Level 2
Trade payables	3,571			3,571	3,571	Level 2
Additional purchase price payables			45	45	45	Level 3
Lease liabilities	6,480			6,480	6,480	Level 2
<b>Financial liabilities 30 Sep 2021</b>	<b>82,281</b>	<b>0</b>	<b>45</b>	<b>82,326</b>	<b>82,326</b>	

EUR thousand	Measured at amortized cost	Measured at fair value through other comprehensive income	Measured at fair value through profit and loss	Book value total	Fair value	Level
<b>Non-current financial liabilities</b>						
Loans from financial institutions	68,728			68,728	68,728	Level 2
Lease liabilities	23,826			23,826	23,826	Level 2
<b>Current financial liabilities</b>						
Loans from financial institutions	3,318			3,318	3,318	Level 2
Trade payables	4,955			4,955	4,955	Level 2
Additional purchase price payables			1,171	1,171	1,171	Level 3
Lease liabilities	6,061			6,061	6,061	Level 2
<b>Financial liabilities 31 Dec 2020</b>	<b>106,889</b>		<b>1,171</b>	<b>108,060</b>	<b>108,060</b>	

EUR thousand	Measured at amortized cost	Measured at fair value through other comprehensive income	Measured at fair value through profit and loss	Book value total	Fair value	Level
<b>Non-current financial liabilities</b>						
Loans from financial institutions	62,677			62,677	62,677	Level 2
Lease liabilities	24,226			24,226	24,226	Level 2
<b>Current financial liabilities</b>						
Loans from financial institutions	3,334			3,334	3,334	Level 2
Trade payables	2,978			2,978	2,978	Level 2
Additional purchase price liabilities			90	90	90	Level 3
Lease liabilities	5,760			5,760	5,760	Level 2
<b>Financial liabilities 30 Sep 2020</b>	<b>98,976</b>	<b>0</b>	<b>90</b>	<b>99,066</b>	<b>99,066</b>	

Loans from financial institutions consist of a floating rate bank loan. A term loan of EUR 50 million has been drawn 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

The company had bank guarantees in total of EUR 2.6 million both at the end of the first and the second quarter. Guarantees and contingent liabilities didn't change significantly during the third quarter.

#### 5. SHARES

##### Number of shares used in calculating Earnings per share

Due to the IPO, the earnings per share for the first quarter have exceptionally been calculated with the number of shares outstanding on March 31, 2021. The diluted number of shares takes into account the shares of the personnel issue and other share issues, which have been unregistered at the end of the period under review.

	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Number of shares	35,415,927	1,271,868	35,415,927	1,271,868	1,257,532
Number of shares, average	35,391,470	1,267,792	35,227,901	1,272,523	1,265,355
Diluted number of shares	35,415,927	1,279,560	35,415,927	1,279,560	1,265,224
Diluted number of shares, average	35,415,927	1,275,484	35,291,610	1,276,217	1,273,047

#### 6. RELATED PARTY TRANSACTIONS

In connection with the IPO in March a long-term incentive program, i.e. an option program, was established. A cost effect of the incentive program has been recognized in the amount of EUR 109 thousand during the period under review.

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



## 7. FINANCIAL AND ALTERNATIVE KEY FIGURES

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

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

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

### Key figures describing financial development

EUR thousand	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Net sales	39,570	34,429	128,879	117,682	160,082
Growth in net sales, %	14.9%	3.2%	9.5%	13.8%	11.9%
Adjusted organic growth in net sales, %	0%	1%	-2%	5%	3%
EBITDA, adjusted	4,909	4,411	15,555	16,721	20,633
% of net sales	12.4%	12.8%	12.1%	14.2%	12.9%
EBITA	4,586	4,732	13,320	16,539	19,535
Operating profit (EBIT)	3,969	4,425	11,821	15,681	18,272
% of net sales	10.0%	12.9%	9.2%	13.3%	11.4%
Balance sheet total			233,553	201,867	221,528
Cash and cash equivalents			9,265	18,587	15,463
Net debt			40,922	47,424	56,583
Cash flow from operating activities before financial items and taxes	442	4,860	8,799	19,293	31,508
Earnings per share (EUR)	0.07	2.02	0.14	8.13	9.69
Diluted earnings per share (EUR)	0.07	2.04	0.14	8.11	9.63
Earnings per share, continuing operations (EUR)	0.07	2.07	0.14	8.04	9.60
Diluted earnings per share, continuing operations (EUR)	0.07	2.08	0.14	8.02	9.54
Return on equity (ROE), %			8.6%	18.5%	20.6%
Return on capital employed (ROCE), %			8.5%	10.8%	12.1%
Equity ratio, %			47.8%	33.0%	30.2%
Net debt/EBITDA, adjusted			2.0x	2.3x	2.6x
Gearing, %			36.6%	72.3%	84.6%
Number of personnel, average	1,990	1,847	1,953	1,820	1,823
Full-time equivalent (FTE), average	1,705	1,576	1,704	1,558	1,555
Utilization rate	77.1%	77.3%	76.5%	77.7%	77.3%

**8. FORMULAS OF FINANCIAL AND ALTERNATIVE KEY FIGURES**

Adjusted organic growth in net sales	=	Growth in net sales excluding acquisitions and divestments adjusted by the 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	=	Loan from financial institutions – cash and cash equivalents (Net debt does not include lease liabilities)
Return on equity (ROE), %	=	$\frac{\text{Profit for the period, previous 12 months}}{\text{Total shareholders' equity, average}}$
Return on capital employed (ROCE), %	=	$\frac{(\text{Profit before taxes + financial expenses}), \text{ previous 12 months}}{(\text{Balance sheet total} - \text{non-interest-bearing debt}), \text{ average}}$
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	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Net sales	39,570	34,429	128,879	117,682	160,082
<b>Adjusted organic growth in net sales, %</b>					
Growth in net sales	15%	3%	10%	14%	12%
Impact of acquisitions	-14%	-3%	-11%	-10%	-8%
Impact of number of working days	0%	1%	0%	1%	0%
Impact of exchange rates	0%	0%	-1%	0%	0%
<b>Adjusted organic growth in net sales, %</b>	<b>0%</b>	<b>1%</b>	<b>-2%</b>	<b>5%</b>	<b>3%</b>
<b>EBITA</b>					
Operating profit (EBIT)	3,969	4,425	11,821	15,681	18,272
Amortizations of intangible assets	-617	-306	-1,499	-858	-1,263
<b>EBITA</b>	<b>4,586</b>	<b>4,732</b>	<b>13,320</b>	<b>16,539</b>	<b>19,535</b>
<b>EBITA %</b>	<b>11.6%</b>	<b>13.7%</b>	<b>10.3%</b>	<b>14.1%</b>	<b>12.2%</b>
<b>Items affecting comparability</b>					
Restructuring costs	0	19	181	79	253
M&A and integration costs	191	-393	1,442	-56	327
Costs related to IPO readiness	0	34	196	140	408
Other	132	19	417	19	111
<b>Items affecting comparability, EBITDA</b>	<b>323</b>	<b>-321</b>	<b>2,236</b>	<b>183</b>	<b>1,098</b>
<b>Items affecting comparability, EBITA</b>	<b>323</b>	<b>-321</b>	<b>2,236</b>	<b>183</b>	<b>1,098</b>
<b>EBITA, adjusted</b>					
EBITA	4,586	4,732	13,320	16,539	19,535
Items affecting comparability, EBITA	323	-321	2,236	183	1,098
<b>EBITA, adjusted</b>	<b>4,909</b>	<b>4,411</b>	<b>15,555</b>	<b>16,721</b>	<b>20,633</b>
<b>EBITA, adjusted %</b>	<b>12.4%</b>	<b>12.8%</b>	<b>12.1%</b>	<b>14.2%</b>	<b>12.9%</b>
<b>EBITDA</b>					
Operating profit (EBIT)	3,969	4,425	11,821	15,681	18,272
Depreciation and amortization	-2,503	-2,008	-7,070	-5,808	-8,008
<b>EBITDA</b>	<b>6,472</b>	<b>6,433</b>	<b>18,891</b>	<b>21,489</b>	<b>26,280</b>
<b>EBITDA %</b>	<b>16.4%</b>	<b>18.7%</b>	<b>14.7%</b>	<b>18.3%</b>	<b>16.4%</b>
<b>Net debt</b>					
Loans from financial institutions			50,187	66,011	72,047
Cash and cash equivalents			9,265	18,587	15,463
<b>Net debt</b>			<b>40,922</b>	<b>47,424</b>	<b>56,583</b>
<b>EBITDA, adjusted (previous 12 months)</b>					
EBITDA (previous 12 months)			23,682	25,536	26,280
Items affecting comparability, EBITDA (previous 12 months)			3,151	898	1,098
Operative lease liabilities (IFRS16) (previous 12 months)			6,242	5,795	5,946
<b>EBITDA, adjusted (previous 12 months)</b>			<b>20,592</b>	<b>20,638</b>	<b>21,433</b>
<b>Net debt / EBITDA, adjusted</b>					
Net debt			40,922	47,424	56,583
EBITDA, adjusted previous 12 months)			20,592	20,638	21,433
<b>Net debt / EBITDA, adjusted</b>			<b>2.0x</b>	<b>2.3x</b>	<b>2.6x</b>
<b>Gearing, %</b>					
Total shareholders' equity			111,722	66,698	66,880
Net debt			40,922	47,424	56,583
<b>Gearing, %</b>			<b>36.6%</b>	<b>72.3%</b>	<b>84.6%</b>

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