

SITOWISE GROUP PLC

Strong quarter in a challenging market environment

Interim Report
1 January – 31 March 2023



SITOWISE



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The figures in the interim 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.

JANUARY–MARCH IN BRIEF

- Net sales increased by 14% to EUR 56.0 (49.2) million.
- Organic net sales grew by 4% (7%).
- Adjusted EBITA was EUR 6.6 (5.2) million, or 11.8% (10.6%) of net sales.
- Operating profit totaled EUR 5.5 (2.9) million, or 9.8% (6.0%) of net sales.
- The order book increased by 2% to EUR 176 (172) million, but was slightly down from year-end.
- Leverage (net debt / adjusted EBITDA) increased to 2.4x (1.5x), but the balance sheet strengthened compared to year-end.
- In the client survey conducted at the beginning of the year, the willingness to recommend remained at a good level and NPS (Net Promoter Score) totaled 32 (32). In addition, 97% (94%) of respondents would re-select Sitowise as their supplier.
- Sitowise published its new strategy for 2023–2025 in February.

KEY FIGURES

EUR million	1–3/2023	1–3/2022	Change, %	1–12/2022
Net sales	56.0	49.2	14.0%	204.4
EBITA, adjusted	6.6	5.2	26.7%	20.4
% of net sales	11.8%	10.6%		10.0%
EBITA	6.2	3.5	76.8%	16.1
Operating profit	5.5	2.9	87.1%	13.2
Result for the period	3.5	1.1	207.2%	7.9
Cash flow from operating activities before financial items and taxes	5.7	7.0	-18.5%	22.7
Net debt	55.5	33.4	66.4%	56.6
Net debt / EBITDA, adjusted	2.4x	1.5x		2.6x
Equity ratio, %	43.6%	47.2%		41.6%
Earnings per share (EPS), EUR	0.10	0.03	204.9%	0.22
Number of personnel, average	2,226	2,044	8.9%	2,151

CEO HEIKKI HAASMAA:

Determined actions contributed to the strong quarter

Sitowise's Q1 was characterized by strong growth. Consolidated net sales increased by 14 percent to EUR 56.0 million and organic growth was 4 percent. The growth derived especially from the acquisitions completed during 2022.

Our Q1 adjusted EBITA increased to EUR 6.6 million, which corresponds to an 11.8 percent margin. This improvement is the outcome of our determined actions to improve pricing, control rising costs, and integrate acquired entities into our existing business. In the period under review we also had one working day more compared to Q1 2022. Our Q1 EBITA increased substantially to EUR 6.2 million, corresponding to an 11.0 percent EBITA margin. The comparison period was adversely impacted by higher items affecting comparability such as costs related to restructuring and unmaterialized acquisition.

“ Sitowise's more than 2,200 experts are developing sustainable ways to overcome the challenges of tomorrow. We want to be the most innovative, sustainable, and efficient operator in our field.

The Group's order book decreased by 2 percent from the year-end of 2022. The decline was due to the weak market situation in the Buildings business area and a small decline in the Swedish order book. In the review period, our Infra business area grew in line with our expectations, clearly outperforming market growth, and the profitability of the business area developed well. The Digi business area had strong performance measured by any KPIs and its SaaS business saw rapid growth. In Sweden, overall demand has remained more stable than in Finland, although this market is also seeing some kind of softening in the forms of a weakening of new housing production and increased price competition.

One of the key events in Q1 was the launch of Sitowise's new strategy for the years 2023–2025. Based on discussions with our employees and external stakeholders, the new strategy and its three strategic pillars – most innovative, most sustainable, most efficient – have been welcomed positively. After the strategy launch, the focus has been, among other things, on identifying potential new smart services and new service opportunities related to sustainability, and deepening the themes related to the smartest ways to work.

We are continuing to carry out actions to strengthen our profitability this year. In all four business areas, the key growth drivers are, among others, projects related to the green transition, renovation backlog, and digitization of the industry. In the current



economic climate, Sitowise now benefits from having consciously expanded its operations in less cyclical market segments – such as renovation, infrastructure, and digital services – and having secured a number of long-term projects and framework agreements that help to bring predictability.

Sitowise's more than 2,200 experts are developing sustainable ways to overcome the challenges of tomorrow. We believe that society's ambitious climate and biodiversity targets will continue to create more demand for bold and creative solutions. We at Sitowise want to support our clients through this transition and to be the most innovative, sustainable, and efficient operator in our field.

OUTLOOK, GUIDANCE, AND FINANCIAL TARGETS

OUTLOOK FOR THE YEAR 2023

The stable long-term 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.

The uncertainty in the market brought by the war in Ukraine, increasing interest rates and inflationary pressures may continue to affect the short-term decision-making of Sitowise's clients. That said, the effects on Sitowise's technical consulting business have remained more limited than on the broader construction industry, which is one of Sitowise's key client segments. During the first quarter of 2023, Sitowise's order book remained at a good level.

Demand in the Digi business remains strong and the outlook for the Infra business is also relatively more positive than in the Buildings business. In the latter one the activity level has declined, especially with respect to start-up of new construction projects, due to the downturn in the wider construction industry. Overall, the market outlook has remained somewhat more stable in Sweden, although some softness is also experienced in the Swedish construction market.

In addition to the market development, cost inflation (e.g. relating to wage increases), a lower number of working days in Q2, Q3 and Q4 2023 than in the previous year, potential currency fluctuations (EUR/SEK) and higher interest expenses are expected to put pressure on Sitowise's financial performance during the rest of 2023.

GUIDANCE (REPEATED, ISSUED ON 28 FEBRUARY 2023)

Sitowise Group estimates that its net sales in year 2023 euros will increase compared to 2022, and that its adjusted EBITA margin (%) will be broadly at the same level as the adjusted EBITA margin of 2022.

LONG-TERM FINANCIAL TARGETS

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

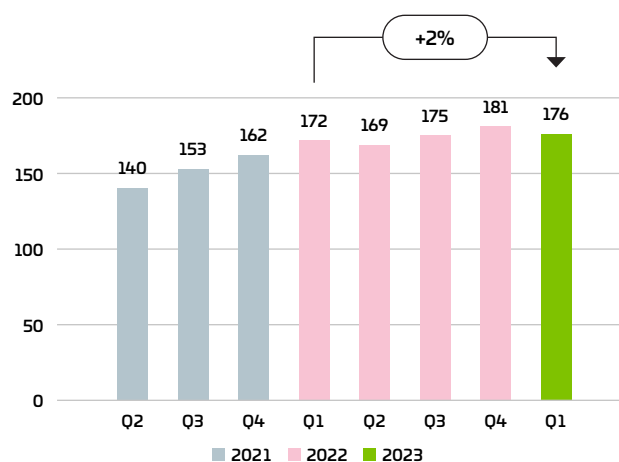
According to its **dividend policy**, Sitowise's objective is to pay annually a dividend corresponding to 30–50 percent of net profit to its shareholders. When distributing a possible dividend, business acquisitions, the company's financial situation, cash flow and future growth opportunities are taken into account.

STRATEGY FOR 2023–2025

Sitowise announced its strategy for the years 2023–2025 on 28 February 2023. The new strategy focuses on Innovation, Sustainability, and Efficiency, and targets continued sustainable profitable growth and value creation for its clients, other stakeholders, and society. The new strategy has been described in more detail in a separate stock exchange release published on 28 February 2023.

During the quarter, the focus was on communicating and discussing the new strategy with Sitowise's employees, clients, investors, and other stakeholders. Several workstreams were formed with a focus on strategic initiatives such as new smart services, sustainability services, and smart ways of working. The company also continued to evaluate growth opportunities via M&As.

THE GROUP'S ORDER BOOK



THE GROUP'S ORDER BOOK, EUR MILLION

The order book decreased by 2 percent since the end of 2022 due to the weakening of both the market situation in the Building's business area and a small decline in the Swedish order book. Compared to the corresponding period of last year, the order book increased by 2 percent to EUR 176 (172) million.

SITOWISE'S BUSINESS AREAS



The **Buildings** business area offers building design, specialist services, and consulting services for residential and commercial properties, as well as for the needs of the healthcare sector and industry, for example. The business area has distinctive design expertise in areas such as high-rise construction, building services technology (HVAC), acoustics design, and fire safety planning. Sitowise acts as a partner in both new construction and renovation projects.



The services of the **Infrastructure** business area (**Infra**) cover a wide range of urban development needs in diverse areas: infrastructure, transport and mobility, urban development, environment and water, as well as infrastructure project management. 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 approximately 75 percent of net sales.



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



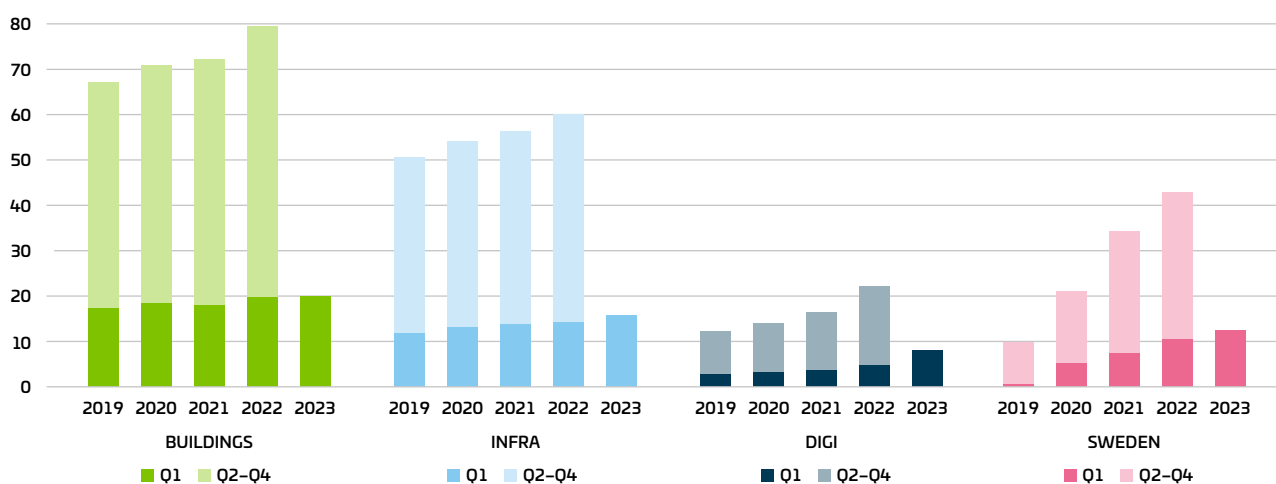
Sitowise's operations in **Sweden** form the Group's fourth business area. In Sweden, Sitowise provides design and consulting services in the following areas: structural engineering, building services engineering and consulting for buildings and real estate, infrastructure, and geotechnical design. As from 1 January 2023, this business area also includes digital solutions for traffic and infrastructure in Sweden (Infracontrol), which were previously reported under Digi.

THE GROUP'S NET SALES AND PROFITABILITY

NET SALES

EUR million	1-3/2023	1-3/2022	Change, %	1-12/2022
Buildings	19.9	19.8	0.3%	79.4
Infra	15.8	14.2	11.2%	60.0
Digi ¹⁾	8.0	4.7	70.1%	22.1
Sweden ¹⁾	12.4	10.5	18.8%	42.9
Total	56.0	49.2	14.0%	204.4

¹⁾ Figures for the comparison year has been adjusted to reflect the current organizational structure.



NET SALES BY BUSINESS AREA, EUR MILLION

NET SALES IN JANUARY–MARCH

The Group's net sales increased by 14 percent (16 percent in constant currency) in the first quarter of the financial year 2023 in relation to the comparison period, with the largest contribution from acquisitions made in 2022. In addition, organic growth was 4 percent with strong contributions from the Infra, Digi, and Sweden business areas, while being negative in Buildings due to the weakened market environment. Growth was also supported by the fact that the period was one working day longer than in the previous year, but this impact was offset by the weakening of the Swedish krona against the euro.

EUR million	1–3/2023	1–3/2022	Change, %	1–12/2022
EBITA, adjusted	6.6	5.2	26.7%	20.4
% of net sales	11.8%	10.6%		10.0%
EBITA	6.2	3.5	76.8%	16.1
Operating profit	5.5	2.9	87.1%	13.2
Result before taxes	4.4	1.5	186.4%	10.3
Result for the period	3.5	1.1	207.2%	7.9
Earnings per share (EPS), EUR	0.10	0.03	204.9%	0.22

PROFITABILITY IN JANUARY–MARCH

Adjusted EBITA increased by 27 percent, driven by higher net sales. This was supported by increases in average prices and project mix impacts. These improvements were partially offset by a somewhat lower utilization rate. Other operating expenses also increased due to cost inflation and higher personnel-related activities compared to last year when some covid-related restrictions were still in place. Items related to comparability were EUR -0.4 (-1.7) million, with significantly lower M&A and reorganization-related expenses compared to the comparison period.

Higher adjusted EBITA and lower amount of items related to comparability resulted in an increase in **operating profit** by 87 percent compared to the comparison period.

Both the **result before taxes** for the period and the **result for the period** increased due to higher operating profit. Financial expenses were slightly below the comparison period even though interest expenses increased, as there was a negative currency fluctuation impact relating to intercompany loans in the first quarter of 2022.



Antti-Pekka, Specialist

FINANCIAL POSITION AND CASH FLOW

Equity attributable to owners of the parent company was EUR 119.3 (117.0) million.

EUR million	31 Mar 2023	31 Mar 2022	Change, %	31 Dec 2022
Cash and cash equivalents	16.3	16.9	-3.2%	15.4
Interest-bearing debt, total	71.9	50.3	43.0%	72.0
<i>Interest-bearing debt, current</i>	1.0	1.0	-2.5%	1.0
<i>Interest-bearing debt, non-current</i>	70.9	49.2	44.0%	71.0
Equity ratio, %	43.6%	47.2%		41.6%
Net debt	55.5	33.4	66.4%	56.6
Net debt/EBITDA, adjusted	2.4x	1.5x		2.6x
Gearing, %	46.5%	28.5%		48.4%

Sitowise's liquidity remained good in the first quarter. Net debt and leverage increased from last year because of acquisitions but were slightly lower than at the year-end 2022.

Sitowise agreed with its lenders in February 2023 on the exercise of the option periods provided for in its financing agreement. The extension is for the same amount and at the same terms as the original arrangement. With the option periods taken into account, the maturity of the financing agreement is now in March 2026.

Cash flow from operating activities before financial items and taxes was EUR 5.7 (7.0) million during the first quarter. The year-on-year decrease was mainly due to increased amount of working capital. The increase in interest expenses was due to both higher loan capital as well as higher base interest and margins.

Cash flow from investing activities decreased to EUR -0.9 (-6.3) million in January–March, mainly because of acquisitions-related investments in the comparison period.

During the first quarter, cash flow from financing was EUR -1.7 (-0.9) million, which mainly consisted of reductions in lease liabilities. In the comparison period, it included payments received from share issues relating to acquisitions.

The consolidated balance sheet total at the end of March was EUR 274.4 (248.0) million. Goodwill in the balance sheet amounted to EUR 157.0 (139.7) million.



Q1: BUSINESS REVIEW | BUILDINGS

In January–March, net sales from the **Buildings business area** were at the level of the comparison period and amounted to EUR 19.9 (19.8) million, which corresponds to 36 (40) percent of the Group’s consolidated net sales. Net sales were adversely impacted by the difficult market situation and positively impacted by the acquisition of Rakennuttajakaari in June 2022.

According to the economic forecast published by the Confederation of Finnish Construction Industries (RT) in March, the market outlook for new construction in 2023 continued to weaken. The higher-than-anticipated rise in interest rates and the cost of living, combined with the growing supply of apartments, has reduced the number of new housing project starts significantly. At the same time, the state-supported apartment production (ARA) has stopped. A quarter of Sitowise’s Buildings business area (corresponding to approximately 10 percent of the Group’s consolidated net sales) is focused on this most challenging market segment and about a quarter on the slow-growing commercial new buildings segment. The downturn in the new building segment has impacted the Buildings business area and especially its technical and structural engineering business, where operations have been adapted to better correspond to the market situation with different vacation arrangements and temporary layoffs.

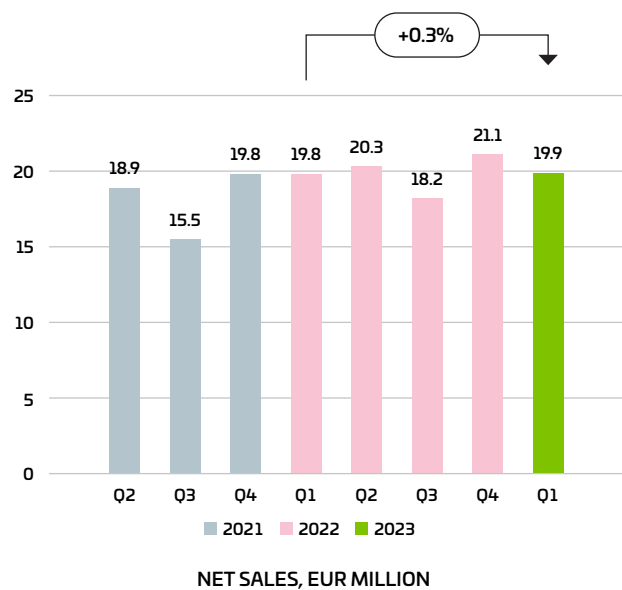
The other half of the Buildings business focuses on the renovation construction market, where the medium- and long-term prospects are still good thanks to the existing renovation backlog and the requirements imposed by EU regulation, such as the energy-efficiency requirement. During the review period, the renovation construction market slowed down faster than expected, as the prevailing financial market situation was reflected in the financing decisions of renovation construction projects and the hesitation of housing associations and property owners to start projects.

As a whole, the order book of the Buildings business remained at a good level, even though it was on a small decline compared to the year-end. The materialization of the order book is taking more time than earlier.

During the review period, the Buildings business area succeeded in pricing and diversifying its customer base. The focus has also been on ensuring that the best experts stay in the service of Sitowise, because the market may see a rapid upturn when the clients’ confidence is restored.

New projects won included, for example, new construction in the middle of the Meilahti hospital area, which will comprise facilities such as Helsinki University Hospital’s central pharmacy and kitchen and four underground parking floors, and an extensive energy efficiency project for the commercial real estate investor Trevian Asset Management Oy, covering its 19 portfolio properties. Sitowise’s strengths in the prevailing market situation are the management of complex projects, real estate development and energy-efficiency projects, and, among other things, expertise in high-rise construction and underground sites.

As a whole, the order book of the Buildings business remained at a good level, even though it was on a small decline compared to the year-end.



Suvi, Business Sector Assistant

Q1: BUSINESS REVIEW | INFRA

Net sales from the **Infra business area** were up by 11 percent year-on-year and amounted to EUR 15.8 (14.2) million. The business area accounted for approximately 28 (29) percent of the Group’s consolidated net sales.

Growth in net sales from the Infra business continued to outpace the market and was almost entirely organic. Growth was positively impacted by successful pricing and the continued diversification of the client base to private-sector and industrial clients. On the other hand, growth was slowed down by a weakened utilization rate.

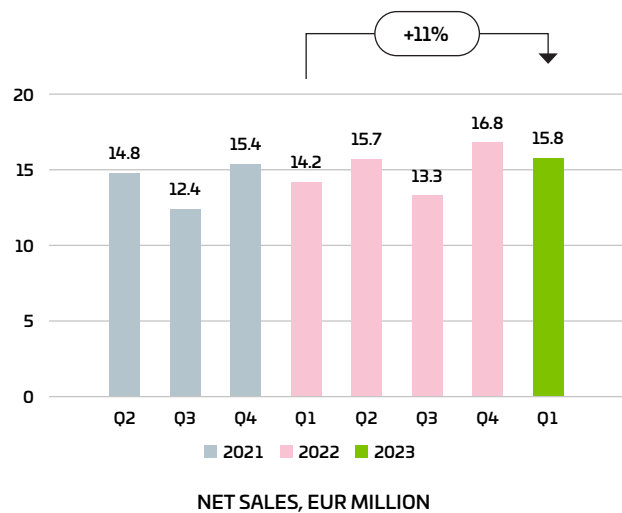
The general market situation in the sector, with weakened demand especially in road and rail projects and foundation works for house construction, was reflected in the Infra business area. On the other hand, demand for energy and environmental projects relating to the green transition is growing; for example, Sitowise started several environmental assessments of wind power projects during the review period. The willingness of large municipalities carry out large investments even when pressured to save costs was also visible in the order book, along with the public-sector clients’ investments in safety and security. Overall, the business area’s order book remained at the strong level of the previous quarter.

In the review period, Sitowise won the tender for the design of the Lielaihi–Lakiala rail project, and the tender of the City of Helsinki for the coordination services of regional construction. In addition, numerous orders were received for small and medium-sized road, street and regional projects, supported by the extensive long-term framework agreements concluded earlier.

The Infra business area engaged also in M&A negotiations during the period under review. The acquisition of Infrasuunnittelu Oy was announced in May. See section “Main events after period-end” for more information.

The outlook for the Infra business area remains unchanged. According to the Confederation of Finnish Construction Industries (RT) business cycle barometer from March, the infra market will still shrink in 2023, but the market is split between projects with shrinking demand (land and water projects, rail projects, groundwork for house construction) and projects with growing demand (groundwork for commercial premises construction and especially wind power and mining industry projects). On the other hand, the outcome of Finland’s government negotiations and program will have a significant impact on the start of rail projects in the coming years.

The business area’s order book remained at the strong level of the previous quarter. Growth in net sales was almost entirely organic.



Alina, Structural Engineer

Q1: BUSINESS REVIEW | DIGI

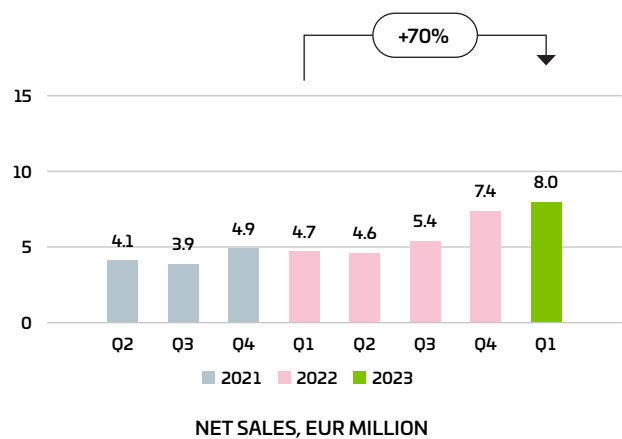
Net sales in the **Digital Solutions business area** were up by 70 percent year-on-year and amounted to EUR 8.0 (4.7) million. The business area accounted for approximately 14 (10) percent of the Group’s consolidated net sales. Infracontrol’s share has been removed from the figures for the comparison period, as the company is reported as part of the Sweden business area from the beginning of 2023.

The majority of the increase in net sales was related to the acquisition of Bitcomp Oy – a pioneer in geospatial SaaS solutions in the forest and natural resources sector – in June 2022. Sales of Bitcomp’s LeafPoint-SaaS solution grew strongly and its roll-out to current clients is proceeding as planned.

The net sales growth was positively impacted by the favorable market environment and systematic work to enhance growth and profitability. During the review period, the business area was successful in taking the increased production cost into account in pricing, managing costs and creating new business together with the Bitcomp team. In the comparison period, the business was burdened by a shortage of skilled employees and the industry’s strong competition for labor. The situation has improved thanks to persistent recruitment efforts, but there is still strong competition for talented people in the industry.

The order book for Digi remained at the strong level of the previous quarter, and the share of long-term and larger projects as well as SaaS business increased. Thanks to previously signed long-term framework agreements, Sitowise was able to extend several existing projects and to receive new small and medium-sized orders. The outlook for the business area remains strong, and Sitowise sees good potential in actively increasing the market for its SaaS services.

The net sales growth was positively impacted by the favorable market environment and systematic work to enhance growth and profitability.



Oskari, Software Developer

Q1: BUSINESS REVIEW | SWEDEN

Net sales from the **Group's operations in Sweden** were up by 19 percent year-on-year (27 percent in constant currency) and amounted to EUR 12.4 (10.5 million in Q1. This corresponds to approximately 22 (21) percent of the Group's consolidated net sales. The figures for the comparison period are adjusted with Infracontrol, which is reported as a part of the Swedish business from the beginning of 2023.

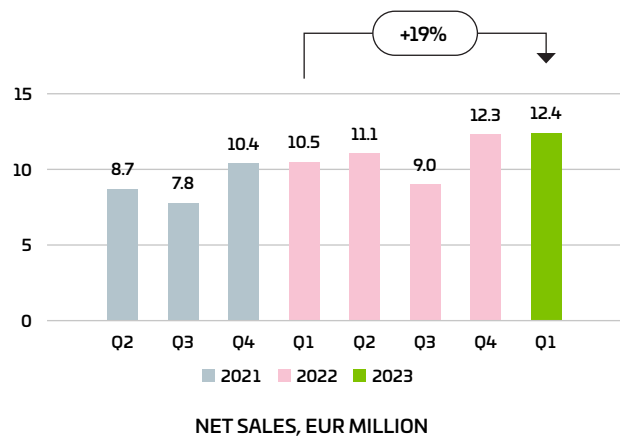
Approximately half of net sales growth was organic, and the rest was related to the Mavacon, E60, and Convia acquisitions made in 2022. During the quarter, the integration of the acquired companies into Sitowise continued, which had some effect on the utilization rate of the Swedish business.

The Sweden business area is facing a mixed market that is affected by inflation and rising interest rates. During Q1, its business momentum remained stable. At the same time, price competition tightened. Thanks to Sitowise's favorable positioning toward commercial, industrial, and institutional buildings, the domestic housing market drop had only a minor impact on the business.

Overall, the technical consulting market in Sweden is still steadier than the Finnish market and supported by sizable investments in infrastructure projects by the local public and private sector players. The Sweden business area's order book reported in euros decreased slightly from the comparison period.

During the review period, many extensions to already won projects, especially hospital projects, were added to the order book. The infrastructure segment was holding up well, with new subway built in Stockholm and continuous work in the Västlänken railway project. The number of early phase pre-projects was also trending up, and some interesting examples of these include a pre-study on the next phase of a pharmaceutical factory for Galderma and a pre-study for a coming prison project. During Q1, Sitowise also got its first small installation project together with Convia, a good example of the potential ushered in by that acquisition.

Approximately half of net sales growth was organic, and the rest was related to the Mavacon, E60, and Convia acquisitions made in 2022.



Charalampos, Designer

SUSTAINABILITY

In March, as part of its annual report, Sitowise published the 2022 Sustainability Report. Comprehensive reporting aims at transparency. Reporting in accordance with international reporting principles facilitates the comparability of operations. The activities of 2022 were reported more comprehensively than in previous years in accordance with the Global Reporting Initiative (GRI) sustainable development reporting guidelines. In the GRI index, it is specified for each reported standard which year's version of the standard was used in the reporting.

As part of the annual report, the Group's carbon footprint was calculated following the Greenhouse Gas Protocol 1, the world's best-known and most widely used standards and guidance framework for calculating and reporting annual greenhouse gas emissions by companies and organizations. Sitowise aims to be carbon neutral in the company's own operations by 2025.

Sitowise also reported in accordance with the EU taxonomy legislation, which was included in Sitowise's annual reporting for the first time for operations in 2021. At that time, the parts of Sitowise's operations that fell within the scope of the taxonomy regulation, i.e., were taxonomy-eligible, were reported. For 2022, the reporting obligations had expanded. In addition to taxonomy-eligible activities, taxonomy-aligned activities were also reported, i.e., the shares of those taxonomy-eligible activities that meet the technical assessment criteria of the EU delegated climate regulation, the criteria for avoiding significant harm (DNSH criteria) and the minimum social responsibility criteria.

Sitowise's annual report 2022, including carbon footprint, taxonomy and GRI criteria, can be found at www.sitowise.com/sitowise/annual-report-2022

At the end of Q1 2023, the sustainability tool developed by Sitowise was used in 78 percent (65%) of all new projects started in Finland. The tool is part of the digital collaboration platform Voima. Sitowise aims to integrate sustainable development aspects into every client project. The target is that all projects launched in the Group's business areas will utilize the sustainability tool. For 2023, the target is to develop the tool to better serve each client's sustainability work.



At the end of Q1 2023, the sustainability tool was used in 78 percent (65%) of all new projects started in Finland.



PERSONNEL

PERSONNEL

	1-3/2023	1-3/2022	Change, %	1-12/2022
Number of personnel, average	2,226	2,044	8.9%	2,151
Number of personnel, at the end of the period	2,219	2,054	8.0%	2,232

The number of personnel at the end of the quarter was higher than a year ago due to both acquisitions and organic growth. The number of full-time equivalent number of employees (FTE) is presented by business area below.

FTE per BUSINESS AREA

	1-3/2023	1-3/2022	Change, %	1-12/2022
Infra	529	496	6.5%	512
Buildings	789	803	-1.8%	825
Digi	257	169	52.0%	207
Sweden	350	291	20.2%	314
Group Functions	63	57	9.5%	59
Group total	1,987	1,817	9.3%	1,918

CHANGES IN GROUP STRUCTURE

Rakennuttajakaari Oy and its wholly owned subsidiaries Rakennuttajakaari Pohjanmaa Oy and Certimo Oy were merged with Sitowise Oy on 28 February 2023. Sitowise had acquired Rakennuttajakaari in June 2022.

CORPORATE GOVERNANCE

BOARD AUTHORIZATIONS

During the review period, the company had in force authorizations as resolved by the Annual General Meeting on 20 April 2022 to decide on the repurchase of the company's own shares as well as to decide on the issuance of shares and the issuance of options and other special rights entitling to shares. The authorizations were canceled by the Annual General Meeting on 25 April 2023 along with the decision on new authorizations. See the section "Main events after period-end" for more information on existing authorizations.

The Board of Directors did not exercise its authorizations during the review period. The Board of Directors decided to exercise its existing share issue authorization and carried out a directed issue of 37,330 treasury shares in connection with the acquisition of Infrasuunnittelu Oy on 2 May 2023. See the section "Main events after period-end" for more information.



Katrina, Project Manager

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. There were no changes in the number of shares outstanding or in the number of treasury shares during the review period. The company held 119,399 own shares on 31 March 2023.

	31 Mar 2023	31 Dec 2022
Registered share capital, EUR thousand	80	80
Registered total number of shares	35,665,927	35,665,927
Shares owned by the company	119,399	119,399

TRADING OF SHARES

SITOWS Nasdaq Helsinki	1-3/2023	1-3/2022
Number of shares traded, million	1.3	0.5
Value of trading, EUR million	6.3	3.5
Closing price on the final day of trading, EUR	4.19	6.45
Volume-weighted average price, EUR	4.74	6.95
Highest price, EUR	5.14	8.22
Lowest price, EUR	4.03	5.55
Market capitalization (at the end of the period), EUR million	149.4	230.0

SHAREHOLDERS

At the end of the review period on 31 March 2023, the number of registered shareholders was 5,994 (6,000). Nominee-registered shareholders accounted for 39.0 (33.3) 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 28.3 (31.9) percent. A list of these major shareholders is available on the company's website at www.sitowise.com.

The table below lists the ten largest shareholders on 31 March 2023. The information is based on the Monitor service provided by the Swedish company Modular Finance AB: *)

Shareholder	# of shares	% of shares
1 Intera Partners Oy	5,121,573	14.4%
2 Lannebo Funds	2,286,888	6.4%
3 Handelsbanken Funds	1,832,079	5.1%
4 Paradigm Capital AG	1,784,944	5.0%
5 Didner & Gerge Funds	1,463,414	4.1%
6 Evli Fund Management	1,261,000	3.5%
7 Ilmarinen Mutual Pension Insurance Company	1,071,500	3.0%
8 SEB Funds	895,206	2.5%
9 Erik Löb	750,000	2.1%
10 Varma Mutual Pension Insurance Company	635,000	1.8%
10 largest in total	17,101,604	47.9%
Outstanding shares	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 supplied by the service provider, which is given 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.



SHARE-BASED INCENTIVE PLANS

On 28 March 2023, the Board of Directors of Sitowise Group Plc resolved to establish a new performance-based, long-term incentive plan (Performance Share Plan 2023–2025) which is targeted at the Group Management Team members in the first phase. The Board of Directors also resolved on a restricted share plan (Restricted Share Plan 2023–2025), which is intended as a supplementary share-based long-term incentive plan for separately nominated key persons of Sitowise and its Group companies in special situations.

The program consists of annually commencing individual three-year plans. The commencement of each individual plan and its terms, the length of the performance or retention period within the plan, the performance criteria, the eligible participants thereof and the earning opportunity are subject to a separate decision of the company's Board of Directors in each case.

The purpose of the plans is to align the interests of the management and key personnel with the interests of the shareholders and thereby increase shareholder value in the long term, and to commit the management and key personnel to achieving Sitowise's strategic goals. Additionally, the purpose is to commit Sitowise's key resources to the company by offering competitive long-term incentive plans.

At the end of the review period on 31 March 2023, the company also had in place a long-term option program, which is further described at www.sitowise.com/investors/governance/remuneration.

FLAGGING NOTIFICATIONS

On 30 January 2023, Sitowise Group Plc received a notification in accordance with the Chapter 9, Section 5 of the Finnish Securities Markets Act from Handelsbanken Fonder AB, according to which Handelsbanken Fonder AB's direct holding of shares and votes in the company increased to 5.05 percent on 27 January 2023. According to the notification, Handelsbanken Fonder AB now holds a total of 1,802,079 shares corresponding to 5.05 percent of the company's shares and votes.



RISKS AND UNCERTAINTIES

Significant risks and uncertainties related to the Sitowise Group's business include operational and damage risks, as well as the strategic and financial risks and uncertainties to which the Group's financial performance is exposed. One of the key tools for the Group's risk assessment is an annual survey that was last conducted in 2022. Its results as well as any other specific risks arising from Sitowise's operations are discussed in the Group's Board of Directors, Management Team, and business areas, as appropriate. The Sitowise Group's risk management process and responsibilities are described on the Group's website (www.sitowise.com).

In terms of operational risks, the most pronounced personnel risks of the Sitowise Group relate to the retention of current experts, well-being of employees, and availability of new experts. Sitowise's business is based on competent personnel, and skilled professionals are crucial for growth, profitability, and the implementation of the company's strategy. A potential decline in Sitowise's employer image due to internal or external factors is a risk from the perspective of employee engagement and retention. The Sitowise Group's operational risks also include risks related to project work. Damage risks include IT system and cybersecurity risks.

Sitowise Group's strategic risks include, among other factors, that the planned growth based on corporate acquisitions will not materialize if there are no suitable acquisition targets available, transactions cannot be executed at an economically justified valuation level, acquisitions involve liabilities that

cannot be factored into the purchase price, or the targets set for the acquisitions are not reached in the integration of acquired companies. Uncertainty in the financial markets or rising interest rates leading to higher financing costs and reduced availability (adequacy, timeliness, and favorable terms) is both a strategic and a financial risk for the Sitowise Group, as Sitowise finances its business and investments through operative cash flow and loans and needs external financing also to implement its growth strategy. The Sitowise Group carefully assesses potential financial risks, and the Group's liquidity (trade receivables and cash flow) is monitored continuously.

The war in Ukraine only has limited direct effects on Sitowise. The global economic consequences of the war, such as inflation and higher interest rates, have impacted the growth in the construction sector, which could jeopardize Sitowise's growth and profitability aspirations.

Uncertainty in the global economy as well as turbulence in the financial market pose risks to Sitowise's business. Higher inflation, rising interest rates, the price of energy, and the increased cost of construction materials create uncertainty in the markets and may cause a decline in economic activity by leading to, for example, a decrease or postponement of investments and clients' projects.

Many of the risks associated with the Sitowise Group and its business are characteristic of the business and typical in the industry. The risks are further described in our 2022 Financial Statement (available on our website at www.sitowise.com).

SEASONALITY

The seasonal variation of Sitowise's business is affected by the monthly allocation of 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 vacation season.

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

	2023	2022	Difference
Q1	484	476	8
Q2	451	460	-9
Q3	491	500	-9
Q4	469	477	-8
Full year	1,895	1,914	-19

QUARTERLY NET SALES AND EBITA OF THE GROUP

EUR million	Q2/2021	Q3/2021	Q4/2021	Q1/2022	Q2/2022	Q3/2022	Q4/2022	Q1/2023
Net sales	46.5	39.6	50.5	49.2	51.7	45.9	57.6	56.0
Other operating income	0.4	0.2	0.1	0.1	0.1	0.1	0.0	0.1
Materials and services	-3.1	-3.8	-5.2	-4.1	-5.1	-5.1	-6.2	-4.9
Personnel expenses	-30.7	-24.3	-31.1	-32.1	-33.4	-27.7	-35.8	-35.6
Other operating expenses	-5.3	-4.9	-6.8	-5.9	-6.6	-6.4	-8.3	-7.0
Depreciations	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-2.0	-2.0
EBITA, adjusted	5.9	4.9	5.6	5.2	4.9	4.9	5.3	6.6
EBITA, adjusted %	12.7%	12.4%	11.1%	10.6%	9.5%	10.7%	9.2%	11.8%
Items affecting comparability	-1.3	-0.3	-0.4	-1.7	-1.6	-0.4	-0.6	-0.4
EBITA	4.7	4.6	5.2	3.5	3.3	4.5	4.7	6.2
EBITA %	10.0%	11.6%	10.3%	7.2%	6.4%	9.8%	8.2%	11.1%



MAIN EVENTS AFTER PERIOD-END

CHANGES IN THE GROUP MANAGEMENT TEAM

On 12 April 2023, Timo Palonkoski resigned from his position as Business Area Director of the Buildings business area and as a member of the Group Management Team. Jan Tapper, Business Unit Director of special design services, temporarily took over the business area director's tasks as of 1 May 2023. The recruitment process for a new Business Area Director has been started.

On 4 May 2023, Anna Wäck was appointed as Business Area Director for Digital Solutions and member of the Group Management Team. She joined Sitowise from the position of Head of Global Offering, Pricing and Sales Development in KONE's global maintenance business, and started in her new position on 5 May 2023.

RESOLUTIONS OF THE ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) of Sitowise Group Plc was held on 25 April 2023 in Espoo. The AGM approved the company's annual accounts and consolidated annual accounts for the financial year 2022, discharged the members of the Board of Directors and the persons who have acted as CEO of the company from liability and resolved to approve the remuneration report for governing bodies and the updated remuneration policy for governing bodies. The AGM also resolved that a dividend of EUR 0.10 per share be paid from the company's distributable funds. The dividend was paid on 5 May 2023.

The AGM resolved that the remuneration of the Board of Directors would remain unchanged, and that the Board of Directors be composed of eight (8) members. Eero Heliövaara, Taina Kyllönen, Mirel Leino-Haltia, Elina Piispanen, Petri Rignell and Tomi Terho were re-elected to the Board of Directors and Niklas Sörensen and Mats Åström were elected as new members to the Board of Directors.

The AGM resolved that KPMG Oy Ab, a firm of authorized public accountants, be re-elected as the auditor of the company for the term of office ending at the end of the next Annual General Meeting with Kim Järvi, APA, acting as principal auditor. The remuneration for the auditor is paid according to the auditor's reasonable invoice.

The AGM also resolved on the amendments of the Articles of Association and on the establishment of the Shareholders' Nomination Board and its remuneration.

Authorizations of the Board of Directors

The AGM authorized the Board of Directors 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 Companies Act as follows:

The number of shares to be issued based on the authorization shall not exceed 3,500,000 shares, which corresponds to approximately 9.8 percent 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 promote 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 AGM authorized the Board of Directors 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 percent of all the shares in the company. However, the company together with its subsidiaries cannot at any moment own more than 10 percent 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 our own shares and, inter alia, derivatives can be used for the repurchase. Own shares do not have to be acquired proportionally to the number of shares held by the shareholders (directed acquisition).

The authorizations are effective until the beginning of the next Annual General Meeting, however no longer than until 30 June 2024.

DECISIONS OF THE BOARD'S CONSTITUTIVE MEETING

At the constitutive meeting of the Board of Directors of Sitowise Group Plc held after the Annual General Meeting 2023, 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. Mirel Leino-Haltia was elected as the Chair and Taina Kyllönen and Mats Åström as the members of the Audit Committee. Eero Heliövaara was appointed as the Chair and Elina Piispanen and Niklas Sörensen as the members of the Personnel Committee. Tomi Terho was elected the Chair and Eero Heliövaara, Petri Rignell, Niklas Sörensen and Mats Åström were elected as the members of the Acquisition Committee.

ACQUISITION OF INFRASUUNNITTELU OY AND DIRECTED SHARE ISSUE TO THE SELLERS OF THE COMPANY

On 2 May 2023, Sitowise Group Plc announced the acquisition of all shares in Infrasuunnittelu Oy, a company providing national-level road, street and regional designs as well as surveying and

supervisory expert services and construction consulting for its clients.

In connection with the acquisition, the Board of Directors of Sitowise Group Plc decided, by virtue of the authorization granted by the AGM on 25 April 2023, to issue 37,330 own shares held by Sitowise in a directed share issue. The number of shares to be subscribed for in the share issue corresponds to approximately 0.10 per cent of shares in Sitowise.

The acquisition of Infrasuunnittelu Oy strengthens Sitowise's expertise especially in infrastructure services offered to the mining industry. Infrasuunnittelu Oy employs 17 people and in 2022 its net sales amounted to approximately EUR 1.5 million. The company will be integrated into the Infra business area.

FLAGGING NOTIFICATIONS

In April and May 2023, Sitowise Group Plc received a total of 5 notifications in accordance with the Chapter 9, Section 5 of the Finnish Securities Markets Act from Morgan Stanley & Co. International plc. According to the notifications received on 19, 20 and 21 April and on 1 and 2 May, Morgan Stanley & Co. International plc's indirect holding of shares and votes in Sitowise Group Plc had either exceeded or fallen below the 5 percent threshold of all shares and votes as a result of stock borrowing agreements. Based on the latest notification given on 2 May 2023, Morgan Stanley & Co. International plc holds through financial instruments a total of 194,211 shares, corresponding to 0.54 percent of the company's shares and voting rights.

LEGAL PROCEEDINGS

Sitowise Oy has a pending legal proceeding with a former client relating to a Finnish residential apartment building project from a few years back. A substantial claim has been presented to Sitowise by the counterparty, but according to the company's view, the claim is unfounded. Sitowise has also presented a claim to the counterparty for the unpaid part of the project payment, plus with the delay interest. The company estimates that the proceedings will take years.

Espoo, 10 May 2023
Sitowise Group Plc
Board of Directors

ADDITIONAL INFORMATION

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Mari Reponen, Head of IR,
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FINANCIAL CALENDAR

The planned publication dates for Sitowise Group Plc's financial reports in 2023 are as follows:

- Half-year Report for January–June 2023 on Wednesday, 16 August 2023
- Interim Report for January–September 2023 on Thursday, 2 November 2023

The company will host a Capital Markets Day on 7 June 2023.

WEBCAST FOR ANALYSTS, MEDIA AND INVESTORS

Sitowise's Q1 2023 earnings webcast will be held today, 10 May 2023, at 12 pm EEST. The webcast can be accessed either live or as a replay available at livekatsomo.fi/Sitowise-Q1-2023-result

DISTRIBUTION:

Nasdaq Helsinki Ltd
Key media
www.sitowise.com

SITOWISE IN BRIEF:

Sitowise is a Nordic expert in the built environment with strong focus on digitality. We provide design and consulting knowhow to enable more sustainable and smarter urban development as well as smooth transportation. Sitowise offers services related to real estate and buildings, infrastructure, and digital solutions both in Finland and in Sweden. Global megatrends drive huge changes that require a re-evaluation of the smartness in the built environment – therefore we have set our vision to be *Redefining Smartness in Cities*. The Group's net sales were EUR 204 million in 2022 and the company employs more than 2,200 experts. Sitowise Group Plc is listed on Nasdaq Helsinki under the trading symbol SITOWS.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	1-3/2023	1-3/2022	1-12/2022
Net sales	56,050	49,183	204,414
Other operating income	102	68	288
Materials and services	-4,880	-4,135	-20,495
Personnel expenses	-35,631	-32,413	-129,774
Other operating expenses	-7,183	-7,296	-30,677
Depreciation and amortization	-2,968	-2,472	-10,594
Operating profit	5,490	2,935	13,162
Financial income	114	29	390
Financial expenses	-1,204	-1,427	-3,272
Result before taxes	4,400	1,537	10,280
Income taxes	-929	-407	-2,366
Result for the period	3,471	1,130	7,914
Attributable to:			
Owners of the parent	3,477	1,140	7,847
Non-controlling interest	-6	-10	67
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
Items that may be reclassified to profit or loss			
Change in translation difference	-877	510	-3,837
Hedging of cash flows, including account tax effects	61		63
Other comprehensive income in total	-816		-3,774
Total comprehensive income	2,655	1,640	4,140
Comprehensive income attributable to:			
Owners of the parent	2,661	1,650	4,073
Non-controlling interest	-6	-10	67
Earnings per share:			
Earnings per share (EUR)	0.10	0.03	0.22
Diluted earnings per share (EUR)	0.10	0.03	0.22

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	31 Mar 2023	31 Mar 2022	31 Dec 2022
Assets			
Goodwill	156,984	139,717	157,620
Other intangible assets	10,030	7,136	10,224
Tangible assets	29,739	30,887	31,776
Other shares, similar rights of ownership, and receivables	1,977	1,869	1,931
Deferred tax assets	1,084	1,291	894
Total non-current assets	199,814	180,901	202,446
Trade and other receivables	57,527	49,502	61,564
Deferred tax assets	692	750	1,323
Cash and cash equivalents	16,331	16,876	15,390
Total current assets	74,551	67,128	78,278
Total assets	274,365	248,028	280,724

EUR thousand	31 Mar 2023	31 Mar 2022	31 Dec 2022
Shareholders' equity and liabilities			
Share capital	80	80	80
Fund for invested unrestricted equity	96,434	95,947	96,434
Fair value reserve	409	285	348
Translation difference	-4,558	666	-3,681
Retained earnings	26,960	20,030	23,440
Equity attributable to owners of the parent	119,326	117,007	116,621
Non-controlling interest	247	176	253
Total shareholders' equity	119,572	117,183	116,874
Deferred tax liabilities	1,513	1,324	1,588
Financial liabilities	91,651	69,845	93,042
Other liabilities	0	0	0
Total non-current liabilities	93,164	71,168	94,630
Income tax liabilities	580	947	653
Financial liabilities	7,659	7,678	7,937
Provisions	996	1,379	981
Trade payable and other liabilities	52,394	49,673	59,649
Total current liabilities	61,629	59,677	69,219
Total shareholders' equity and liabilities	274,365	248,028	280,724

CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	1-3/2023	1-3/2022	1-12/2022
Cash flow from operating activities:			
Result for the period	3,471	1,130	7,914
Adjustments			
Income taxes	929	407	2,366
Depreciation and amortization	2,968	2,472	10,594
Financial income and expenses	1,090	1,398	2,882
Other adjustments	43	49	297
Change in working capital			
Trade and other receivables, increase (-) / decrease (+)	3,939	2,924	-6,424
Trade and other payables, increase (+) / decrease (-)	-6,773	-1,426	5,047
Interest paid and other financial expenses	-1,316	-507	-2,244
Interest received and other financial income	61	29	185
Income taxes paid	-730	-1,712	-4,558
Net cash flows from operating activities	3,683	4,763	16,058
Cash flow from investing activities:			
Investments in tangible and intangible assets	-660	-732	-3,665
Acquisitions of subsidiaries, net cash acquired	-282	-5,607	-28,786
Net cash flows from investing activities	-942	-6,339	-32,450
Cash flow from financing activities:			
Payments from share issue	0	757	3,844
Share repurchase	0	-107	-2,720
Dividend distribution and capital repayment	0	0	-3,545
Withdrawal of loans	0	0	24,424
Repayments of loans	-16	-23	-2,974
Lease liabilities, increase (+) / decrease (-)	-1,699	-1,495	-6,131
Net cash flow from financing activities	-1,716	-867	12,899
Cash and cash equivalents at the start of the period	15,390	19,353	19,353
Change in cash and cash equivalents, increase (+) / decrease (-)	1,024	-2,443	-3,493
Translation differences	-83	-34	-470
Cash and cash equivalents at the end of the period	16,331	16,876	15,390

STATEMENT OF CHANGES IN CONSOLIDATED INCOME

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 2023	80	96,434	348	0	-3,681	23,440	116,621	253	116,874
Result for the period						3,477	3,477	-6	3,471
Other comprehensive income			61		-877		-816		-816
Total comprehensive income	0	0	61	0	-877	3,477	2,661	-6	2,655
Share-based incentive schemes						43	43		43
Transactions with owners	0	0	0	0	0	43	43	0	43
Shareholders' equity 31 Mar 2023	80	96,434	409	0	-4,558	26,960	119,326	247	119,573

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						1,140	1,140	-10	1,130
Other comprehensive income			0	0	510		510		510
Total comprehensive income	0	0	0	0	510	1,140	1,650	-10	1,640
Share issues		757					757		757
Share repurchase		-121					-121		-121
Share-based incentive schemes						49	49		49
Transactions with owners	0	636	0	0	0	49	685	0	685
Shareholders' equity 31 Mar 2022	80	95,946	285	0	666	20,030	117,007	176	117,183

NOTES TO THE INTERIM 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 2022; therefore it should be read in conjunction with the consolidated financial statements for 2022 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 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 2022 financial statements.

1. NET SALES

Net sales by business area

EUR thousand	1-3/2023	1-3/2022	1-12/2022
Buildings	19,898	19,835	79,446
Infra	15,752	14,151	59,952
Digi ¹⁾	7,958	4,679	22,127
Sweden ¹⁾	12,441	10,475	42,881
Total	56,050	49,183	204,414

¹⁾ Figures for the comparison year have been adjusted to reflect the current organizational structure.

Net sales by geographical area

EUR thousand	1-3/2023	1-3/2022	1-12/2022
Finland	43,047	38,550	160,906
Sweden	12,373	10,403	42,658
Other countries	629	230	850
Total	56,050	49,183	204,414

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 31 March 2023 is approximately EUR 176 million.

2. ACQUISITIONS (Business combinations)

During the first quarter Sitowise Group Plc did not carry out any acquisitions.

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, including derivatives	205	124		329	329	Level 2
Current financial assets						
Trade receivables	33,207			33,207	33,207	Level 2
Cash and cash equivalents	16,331			16,331	16,331	Level 1
Financial assets 31 Mar 2023	50,660	855	0	51,515	51,515	

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	923			923	923	Level 2
Other financial assets	216			216	216	Level 2
Current financial assets						
Trade receivables	28,751			28,751	28,751	Level 2
Cash and cash equivalents	16,876			16,876	16,876	Level 1
Financial assets 31 Mar 2022	46,765	731	0	47,495	47,495	

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	70,874			70,874	70,874	Level 2
Lease liabilities	20,777			20,777		Level 2
Current financial liabilities						
Loans from financial institutions	1,000			1,000	1,000	Level 2
Trade payables	4,230			4,230	4,230	Level 2
Additional purchase price liabilities			754	754	754	Level 3
Lease liabilities	6,659			6,659		Level 2
Financial liabilities 31 Mar 2023	103,540	0	754	104,293	76,858	

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	49,225			49,225	49,225	Level 2
Lease liabilities	20,620			20,620		Level 2
Current financial liabilities						
Loans from financial institutions	1,026			1,026	1,026	Level 2
Trade payables	6,329			6,329	6,329	Level 2
Additional purchase price liabilities			196	196	196	Level 3
Lease liabilities	6,652			6,652	6,652	Level 2
Financial liabilities 31 Mar 2022	83,853	0	196	84,049	63,428	

Loans from financial institutions consist of floating rate bank loans. The total amount of loans drawn down under the financing agreement was EUR 72 million. Sitowise concluded an interest rate swap to amounting EUR 39 million at the end of the previous financial period of 2022. Therefore, EUR 33 million of

the withdrawn loans were based on a variable-rate and EUR 39 million of the loans were converted to fixed rate. The Group met all the covenant conditions of its financing contract during the review period.

4. GUARANTEES AND CONTINGENT LIABILITIES

There were no significant changes during the first quarter and the company had bank guarantees of EUR 2.1 million at the end of the review period.

5. SHARES

Number of shares used in calculating earnings per share

	1-3/2023	1-3/2022	1-12/2022
Number of shares	35,665,927	35,665,927	35,665,927
Number of shares, average	35,665,927	35,660,371	35,664,557
Diluted number of shares	35,665,927	35,665,927	35,665,927
Diluted number of shares, average	35,665,927	35,665,927	35,664,557

6. RELATED-PARTY TRANSACTIONS

At the end of March 2021 in connection with Sitowise's listing, a long-term incentive plan, i.e., an option program, was established, the introduction of which has resulted in a total cost effect of EUR 43 thousand during the review period.

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

7. FINANCIAL AND ALTERNATIVE PERFORMANCE MEASURES

Since the publication of the IFRS financial statements for 2019, Sitowise has reported some alternative performance measures that do not comply with IFRS standards. The calculation of alternative performance measures 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 performance measures are intended to improve comparability and are not a substitute for other IFRS-based key figures.

The alternative performance measures 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 performance measures are provided in Note 9.

Key figures describing financial development

EUR thousand	1-3/2023	1-3/2022	1-12/2022
Net sales	56,050	49,183	204,414
Growth in net sales, %	14.0%	14.9%	14.0%
Adjusted organic growth in net sales, %	4%	7%	5%
EBITA, adjusted	6,628	5,230	20,380
% of net sales	11.8%	10.6%	10.0%
EBITA	6,239	3,529	16,075
Operating profit (EBIT)	5,490	2,935	13,162
% of net sales	9.8%	6.0%	6.4%
Result for the period	3,471	1,130	7,914
Balance sheet total	274,365	248,028	280,724
Cash and cash equivalents	16,331	16,876	15,390
Net debt	55,543	33,375	56,602
Cash flow from operating activities before financial items and taxes	5,667	6,953	22,676
Earnings per share (EUR)	0.10	0.03	0.22
Diluted earnings per share (EUR)	0.10	0.03	0.22
Earnings per share, continuing operations (EUR)	0.10	0.03	0.22
Diluted earnings per share, continuing operations (EUR)	0.10	0.03	0.22
Return on equity (ROE), %	8.7%	6.8%	6.8%
Return on capital employed (ROCE), %	5.6%	6.4%	6.5%
Equity ratio, %	43.6%	47.2%	41.6%
Net debt / EBITDA, adjusted	2.4x	1.5x	2.6x
Gearing, %	46.5%	28.5%	48.4%
Number of personnel, average	2,226	2,044	2,151
Full-time equivalent (FTE), average	1,987	1,817	1,918
Utilization rate	74.4%	75.7%	76.1%

8. FORMULAS OF FINANCIAL AND ALTERNATIVE PERFORMANCE MEASURES

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	=	$\frac{\text{Net debt}}{\text{EBITDA, adjusted, prev. 12 months}}$
Gearing, %	=	$\frac{\text{Net debt}}{\text{Total shareholders' equity}}$
Non-diluted earnings per share	=	$\frac{(\text{Result for the period} - \text{non-controlling interest} - \text{dividend for the financial period to be distributed taking tax impact into consideration})}{\text{Average weighted number of shares}}$
Diluted earnings per share	=	$\frac{(\text{Result for the period} - \text{non-controlling interest} - \text{dividend for the financial period to be distributed taking tax impact into consideration})}{\text{Average diluted weighted number of shares}}$
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 PERFORMANCE MEASURES

EUR thousand	1-3/2023	1-3/2022	1-12/2022
Net sales	56,050	49,183	204,414
Adjusted organic growth in net sales, %			
Growth in net sales	14%	15%	14%
Impact of acquisitions	-10%	-7%	-9%
Impact of number of working days	-2%	-1%	0%
Impact of exchange rates	2%	1%	1%
Adjusted organic growth in net sales, %	4%	7%	5%
EBITA			
Operating profit (EBIT)	5,490	2,935	13,162
Amortizations of intangible assets	-749	-594	-2,913
EBITA	6,239	3,529	16,075
EBITA %	11.1%	7.2%	7.9%
Items affecting comparability			
Restructuring costs	52	250	722
M&A and integration costs	114	877	2,801
Other	45	574	782
Items affecting comparability, EBITDA	211	1,701	4,305
Items affecting comparability, depreciations	178	0	0
Items affecting comparability, EBITA	389	1,701	4,305
EBITA, adjusted			
EBITA	6,239	3,529	16,075
Items affecting comparability, EBITA	389	1,701	4,305
EBITA, adjusted	6,628	5,230	20,380
EBITA, adjusted %	11.8%	10.6%	10.0%
EBITDA			
Operating profit (EBIT)	5,490	2,935	13,162
Depreciation and amortization	-2,968	-2,472	-10,594
EBITDA	8,458	5,406	23,756
EBITDA %	15.1%	11.0%	11.6%
Net debt			
Loans from financial institutions	71,874	50,251	71,992
Cash and cash equivalents	16,331	16,876	15,390
Net debt	55,543	33,375	56,602
EBITDA, adjusted (prev. 12 months)			
EBITDA (prev. 12 months)	26,807	25,462	23,756
Items affecting comparability, EBITDA (prev. 12 months)	2,814	3,675	4,305
Operational lease liabilities (IFRS16) (prev. 12 months)	-6,534	6,152	-6,366
EBITDA, adjusted (prev. 12 months)	23,087	22,985	21,695
Net debt / EBITDA, adjusted			
Net debt	55,543	33,375	56,602
EBITDA, adjusted (prev. 12 months)	23,087	22,985	21,695
Net debt / EBITDA, adjusted	2.4x	1.5x	2.6x
Gearing, %			
Total shareholders' equity	119,572	117,183	116,874
Net debt	55,543	33,375	56,602
Gearing, %	46.5%	28.5%	48.4%

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