

SITOWISE GROUP PLC

Net sales up by 16 percent, healthy organic growth

Interim Report
1 January – 30 September 2022



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. If there are any differences between the English translation and the original Finnish version, the Finnish report shall prevail.

JULY–SEPTEMBER (Q3) IN BRIEF

- Net sales increased by 16% to EUR 45.9 (39.6) million.
- Organic net sales growth was 6% (0%).
- Adjusted EBITA was EUR 4.9 (4.9) million, or 10.7% (12.4%) of net sales.
- The order book increased by 14% to EUR 175 (153) million.
- Leverage (net debt / adjusted EBITDA) was 2.9x (2.0x), due to seasonality and acquisitions made after the comparison period.

JANUARY–SEPTEMBER (Q1–Q3) IN BRIEF

- Net sales increased by 14% to EUR 146.8 (128.9) million.
- Organic net sales growth was 6% (-2%).
- Adjusted EBITA was EUR 15.1 (15.6) million, or 10.3% (12.1%) of net sales.
- By the end of September, Sitowise had carried out a total of five acquisitions. In January Sitowise acquired the Swedish infrastructure design agency Mavacon AB and completed the acquisition of VRT Finland Oy's business focusing on 3D construction inspection. In June, the Group was joined by Bitcomp Oy, an IT expert in SaaS solutions for the forest and natural resources sector, the renovation specialist Rakennuttajakaari Oy, and the Swedish electrical design firm E60 Elkonsult AB.

KEY FIGURES

EUR million	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021
Net sales	45.9	39.6	146.8	128.9	179.3
EBITA, adjusted	4.9	4.9	15.1	15.6	21.1
% of net sales	10.7%	12.4%	10.3%	12.1%	11.8%
EBITA	4.5	4.6	11.4	13.3	18.5
Profit for the period	2.8	2.6	5.5	5.2	7.9
Cash flow from operating activities before financial items and taxes	0.6	0.4	9.6	8.8	22.8
Net debt			62.9	40.9	30.9
Net debt / EBITDA, adjusted			2.9x	2.0x	1.4x
Equity ratio, %			44.1%	47.8%	46.0%
Earnings per share (EPS), EUR	0.08	0.07	0.15	0.14	0.22
Number of personnel, average	2,177	1,990	2,122	1,953	1,969

CEO HEIKKI HAASMAA:

In the third quarter of the year, Sitowise's net sales increased by 16 percent, and organic growth amounted to 6 percent. Net sales increased in all business areas, with the renovation business and the team in Sweden recording the strongest growth. Sitowise's order book hit a new record high of EUR 175 million in the third quarter. Our order book includes several sizeable long-term projects that contribute to the stability and predictability of our business.

“ In the third quarter of the year, Sitowise's organic growth amounted to 6 percent, net sales increased by 16 percent, and order book hit a new record high of EUR 175 million. We strive to maintain the highest profitability in our industry.

Our adjusted EBITA was at last year's level at EUR 4.9 (4.9) million but, relative to net sales, profitability fell short of our ambitions. Delays related to certain newbuild projects of individual clients have caused a negative effect on Sitowise's billing rate. In addition, our profitability was adversely affected by isolated project overruns, increased need for subcontracting in digital services, and high levels of sickness absences compared to the previous year. We strive to maintain the highest profitability in our industry. We believe that Sitowise's unique digital platform, Voima, our motivated employees and strong management culture create a solid foundation for this. Our efforts to increase profitability by focusing on pricing and cost control continue.

Increased material costs and rapidly rising interest rates have caused higher uncertainty in the construction sector. The effects on technical consulting are not quite as significant but the risks of somewhat lower activity levels are visible in some of Sitowise's market segments. For these reasons, Sitowise updated its guidance on profitability on 26 October 2022. Overall, the number of project delays and cancellations has increased somewhat in the third quarter, although it is not yet the time to talk about a significant turning point in the market. The outlook for next year is also affected by municipalities' recent decisions to cut next year's investment budgets.

The megatrends supporting our long-term growth remain unchanged: urbanization, renovation backlog, digitalization, and sustainable development. We have ramped up our presence in multiple markets where demand has remained stronger in relative terms. Renovation projects currently accounts for most of the net sales from our Buildings business area. As for the Infrastructure business area, the last 18 months have seen us win a considerable number of extensive, long-term infrastructure contracts involving, for example, railways. We have invested systematically in expanding our Digital Solutions business area, albeit that our growth in that sector is currently somewhat slowed down by the intensifying competition for skilled labor.



“ Sitowise is well positioned to strengthen its market position and to take advantage of growth opportunities even in a time of economic slowdown.

We are also looking for long-term growth in Sweden, where the construction industry as a whole has developed more steadily than in Finland. In October, we announced an acquisition of Convia, which strengthens the Sitowise Group's expertise in the fields of infrastructure and construction. This is our sixth acquisition this year, and we bid a warm welcome to the newest 23 members of the Sitowise family.

We continue to actively seek both organic and inorganic profitable growth. Sitowise is well positioned to strengthen its market position and to take advantage of growth opportunities even in a time of economic slowdown.

OUTLOOK, GUIDANCE, AND FINANCIAL TARGETS

MARKET OUTLOOK

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

During the third quarter, Sitowise's net sales and order book continued to grow strongly, both organically and through recent acquisitions.

The uncertainty in the market brought by the war in Ukraine, material availability issues, energy price increase, and inflationary pressures may affect the short-term decision-making of Sitowise's clients. The market outlook remains solid in Sweden, but the uncertainty in the construction market in Finland has increased during the third quarter.

The effects on the technical consulting business are not quite as significant, but the risks of somewhat lower activity levels are visible in some of Sitowise's market segments.

GUIDANCE

Sitowise has on 26 October 2022 updated its guidance for profitability in 2022. The guidance for net sales remains unchanged.

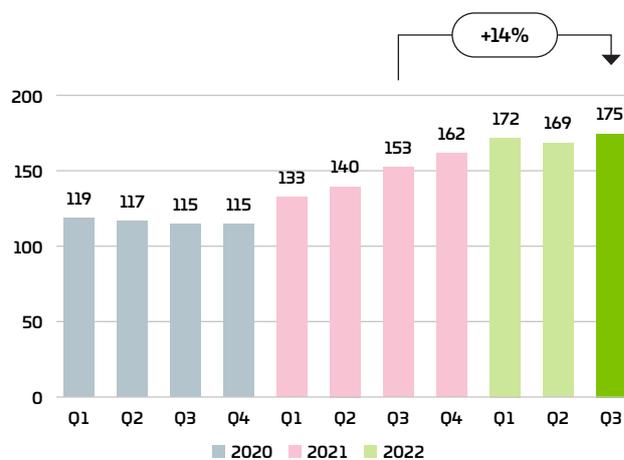
- Sitowise Group estimates that the net sales in euros will increase compared to 2021, and that the adjusted EBITA in euros will be at the same level or slightly below the adjusted EBITA in 2021.

LONG-TERM FINANCIAL TARGETS (unchanged)

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

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

THE GROUP'S ORDER BOOK



THE GROUP'S ORDER BOOK, EUR MILLION

The order book consists of a wide range of projects of different sizes. The order book grew by four percent since the end of the previous quarter and by eight percent compared to the turn of the year. Compared to the corresponding period of last year, the order book increased by 14 percent to EUR 175 million.

Elisabet, Offer Coordinator



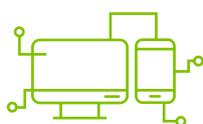
SITOWISE'S BUSINESS AREAS



The **Buildings** business area offers building design, specialist and consulting services for e.g. residential and commercial properties, as well as for the needs of the healthcare sector and industry. The business area has distinctive design expertise in e.g. high-rise construction, 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 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 approximately 75 percent of net sales.



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



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

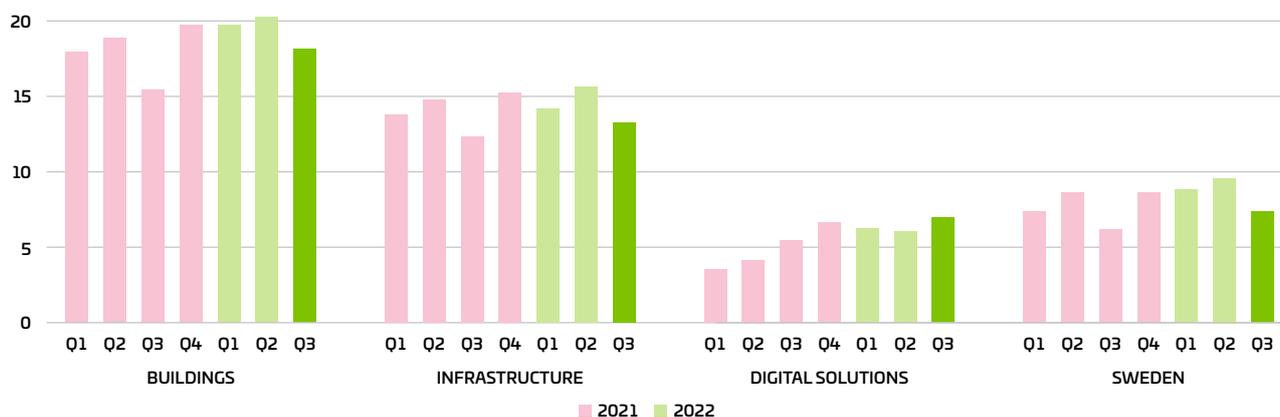
THE GROUP'S NET SALES AND PROFITABILITY

NET SALES

EUR million	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021
Buildings	18.2	15.5	58.3	52.3	72.1
Infrastructure ²⁾	13.3	12.4	43.2	41.0	56.4
Digital Solutions ^{1), 2)}	7.0	5.5	19.4	13.2	19.8
Sweden	7.4	6.2	25.9	22.3	31.0
Total	45.9	39.6	146.8	128.9	179.3

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

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



NET SALES BY BUSINESS AREA, EUR MILLION

NET SALES IN JULY–SEPTEMBER (Q3)

Year on year, the Group's net sales increased by 16 percent in the third quarter of the 2022 financial year, thanks to both acquisitions completed since the end of the comparison period and six percent of organic growth. Excluding the impact of exchange rates, net sales increased by 17 percent.

The growth in net sales during the third quarter of the year was weakened by higher sickness absences compared to the previous year, which were due in part to the coronavirus pandemic, as well as isolated project overruns and a lower invoicing rate. The lower invoicing rate was due to e.g. delays in certain customers' new building projects.

NET SALES IN JANUARY–SEPTEMBER (Q1–Q3)

The Group's net sales increased by 14 percent from January to September, with strong organic growth amounting to six percent. Growth was also supported by acquisitions made after the end of the comparison period. However, a rise in sickness absences due to the coronavirus pandemic and the flu season, and factors mentioned for the third quarter slowed down the growth in net sales. Excluding the impact of exchange rates, net sales increased by 15 percent.

EUR million	7–9/2022	7–9/2021	1–9/2022	1–9/2021	1–12/2021
EBITA, adjusted	4.9	4.9	15.1	15.6	21.1
% of net sales	10.7%	12.4%	10.3%	12.1%	11.8%
EBITA	4.5	4.6	11.4	13.3	18.5
Operating profit	3.7	4.0	9.4	11.8	16.4
Profit before taxes	3.3	3.3	7.2	6.6	10.3
Profit for the period	2.8	2.6	5.5	5.2	7.9
Earnings per share (EPS), EUR	0.08	0.07	0.15	0.14	0.22

PROFITABILITY IN JULY–SEPTEMBER (Q3)

Adjusted EBITA was at the previous year's level but fell in relative terms due to the aforementioned negative impacts on net sales. Relative profitability was also weakened by a rise in subcontracting and project management costs. Items related to comparability amounted to EUR -0.4 (-0.3) million.

Operating profit was slightly down on the comparison period, due to higher amortisation of intangible assets.

PROFITABILITY IN JANUARY–SEPTEMBER (Q1–Q3)

Adjusted EBITA decreased by 3 percent due to the abovementioned factors that impacted on net sales negatively, and a part of other operating expenses rose as we gradually shifted over to the post-pandemic period with an increase in activities. In particular, the costs of the exceptionally large internal personnel and training events held during the second quarter after the COVID-19 years affected the adjusted EBITA. The EBITA margin was also reduced by higher subcontracting and project costs. Items related to comparability were EUR -3.7 (-2.2) million, mainly related to acquisitions, reorganization costs and write-downs of projects of Russian-owned clients.

Operating profit decreased by 21 percent compared to the comparison period, mainly due to higher expenses related to comparability.

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

FINANCIAL POSITION AND CASH FLOW

Equity attributable to owners of the parent company was EUR 114.3 (111.5) million.

EUR million	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021
Cash and cash equivalents	8.0	10.7	16.9	19.4	9.3
Interest-bearing liabilities, total	70.9	68.9	50.3	50.2	50.2
<i>Interest-bearing liabilities, current</i>	2.9	1.0	1.0	1.0	0.5
<i>Interest-bearing liabilities, non-current</i>	68.0	67.9	49.2	49.2	49.7
Equity ratio, %	44.1%	42.9%	47.2%	46.0%	47.8%
Net debt	62.9	58.2	33.4	30.9	40.9
Net debt / EBITDA, adjusted	2.9x	2.7x	1.5x	1.4x	2.0x
Gearing, %	54.9%	51.2%	28.5%	26.9%	36.6%

The company's liquidity remained good in the third quarter. Leverage increased reflecting typical seasonality and acquisitions made after the end of the comparison period.

Cash flow from operating activities before financial items and taxes was EUR 0.6 (0.4) million during the third quarter. The increase was due to lower increase of working capital than in the comparison period.

In July–September, investments amounted to EUR -1.1 (9.7) million. Higher investment in the comparison period was mainly due to acquisitions.

During the third quarter, cash flow from financing was EUR -0.7 (10.0) million, consisting mainly of loan withdrawals, share buybacks and the reduction of lease contract liabilities. In the comparison period, the cash flow from financing was mainly impacted by loan withdrawals related to acquisitions.

The consolidated balance sheet total at the end of June was EUR 260.0 (233.6) million. Goodwill in the balance sheet was EUR 154.6 (133.9) million. No indications of impairment exist.



Q3: BUSINESS REVIEW | BUILDINGS

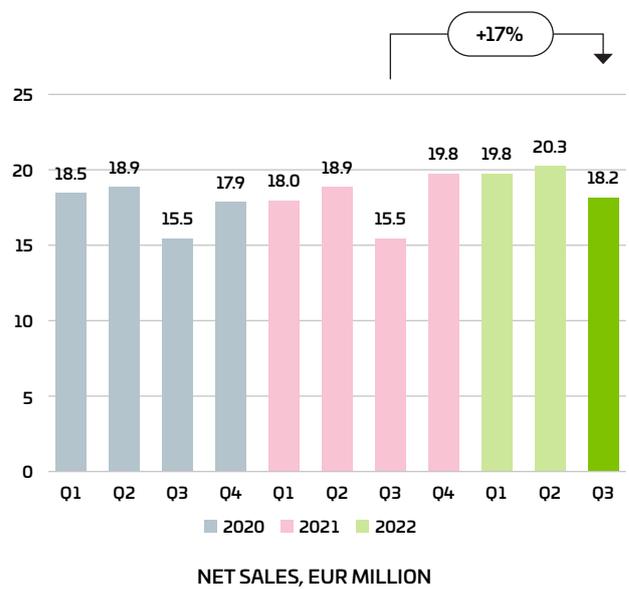
Net sales from **Buildings business area** were up by 17 percent on the previous year and amounted to EUR 18.2 (15.5) million in the third quarter. The business area accounted for 40 (39) percent of the Group’s consolidated net sales.

The growth in net sales was boosted by the acquisition of Rakennuttajakaari Oy in June and, among other things, the continued strong development in the renovation market. The construction of new buildings in particular was affected by growing global economic uncertainty, which resulted in projects being postponed and, in some cases, discontinued. Despite the uncertainties in the market, our order book remained at a healthy level compared to both the previous quarter and the comparison period.

Sitowise received several orders for small and medium-sized renovation and new development projects. The company was contracted to design the HVAC and automation systems of the new theater wing of Espoo Cultural Centre, and the Helsinki City Housing Company (HEKA) awarded several of its residential renovation design contracts to Sitowise. The company’s comprehensive expertise is really distinctive in projects such as HEKA Myllypuro (Myllypurontie 22), where Sitowise is responsible for all design disciplines. Sitowise has also been selected as the project manager for the construction of a new fire station in Kontula, Helsinki and to design the surrounding urban and green spaces.

The integration of the recently acquired companies into the Sitowise Group progressed well during the quarter. The process

also included an office reshuffle to increase the efficiency of space use: the staff of the Tampere-based engineering company Insinööritoimisto Jorma Jääskeläinen Oy and the staff of the Espoo-based Livair Oy relocated to the local offices of Sitowise in Tampere and Espoo respectively during the quarter. Similarly, preparations for a move also began in respect of Rakennuttajakaari Oy, which was acquired in June and whose staff are getting ready to relocate at the start of 2023.



The growth in net sales from Buildings business area was boosted by, among other things, the continued strong development in the renovation market.

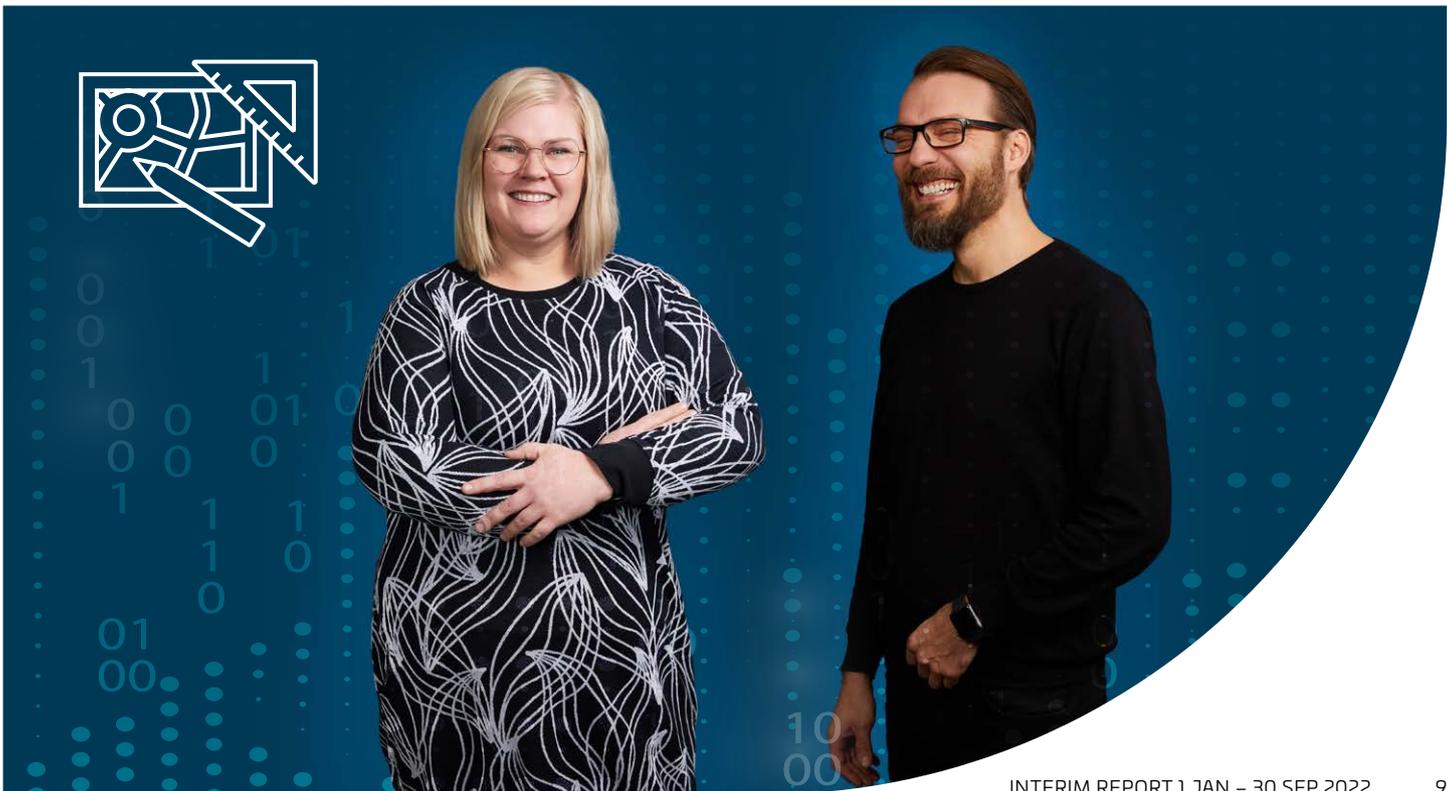
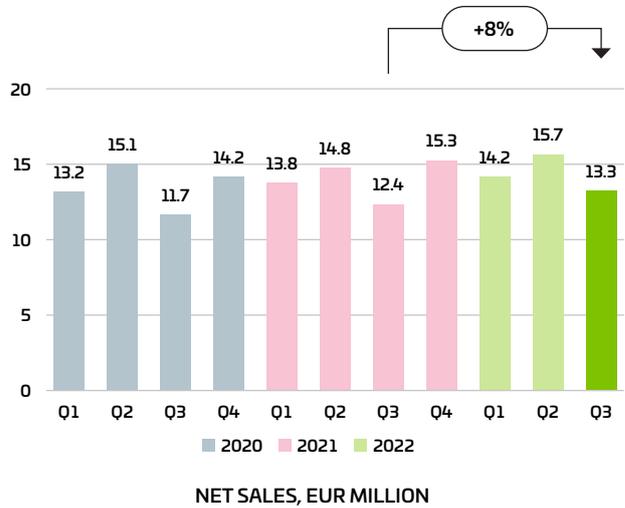
Q3: BUSINESS REVIEW | INFRASTRUCTURE

Net sales from **Infrastructure business area** were up by eight percent on the previous year and amounted to EUR 13.3 (12.4) million in the third quarter. The business area accounted for approximately 29 (31) percent of the Group’s consolidated net sales.

The majority of the growth in net sales was organic. The growth in net sales from Infrastructure business area continued to outpace the market, thanks to a healthy order book and previously secured extensive, long-term infrastructure contracts. The number of invitations to tender was still down on the previous year, but on the other hand Sitowise won a greater percentage of the contracts on offer.

Sitowise received numerous orders for small and medium-sized road, street, and local development projects. Examples include the design of an overpass across the Länsiväylä highway at Koivusaari and a substantial local development project in the Verkkosaari district of Helsinki. A number of new long-term framework agreements were also signed, including a four-year environmental engineering and surveying contract with the City of Helsinki.

The growth in net sales from Infrastructure continued to outpace the market, thanks to a healthy order book and extensive, long-term infrastructure contracts.



Katrina, Project Manager & Petri, Area Director

Q3: BUSINESS REVIEW | DIGITAL SOLUTIONS

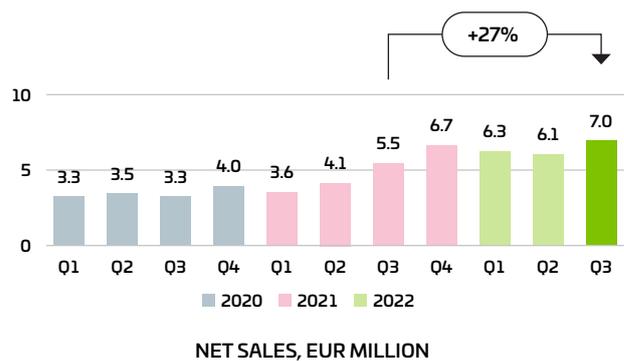
Net sales from **Digital Solutions business area** were up by 27 percent on the previous year and amounted to EUR 7.0 (5.5) million in the third quarter. The business area accounted for approximately 15 (14) percent of the Group’s consolidated net sales.

The growth in net sales and the order book was mainly due to the acquisition in June of Bitcomp Oy, a pioneer in SaaS solutions for the forest and natural resources sector, and the continued deployment of its LeafPoint SaaS service across forest management associations.

Sitowise received two follow-up orders from the Finnish Transport Infrastructure Agency for the further development of the HAAVI waterway data management system and the Suomen Väylät map service. More clients from the private sector in particular signed up for Sitowise’s own geospatial data platform, LOUHI. Sitowise also landed a contract for the development of information systems for a major organization in the defense and security sector.

Market demand for digital services remained generally strong. More recruitments were successfully completed than during the previous quarter, but the growth of the business is somewhat slowed down by competition for skilled labor, which is why the company has supplemented the capacity of its in-house staff by subcontracting.

The growth in net sales and the order book was mainly due to the acquisition in June of Bitcomp Oy, a pioneer in SaaS solutions for the forest and natural resources sector.



Q3: BUSINESS REVIEW | SWEDEN

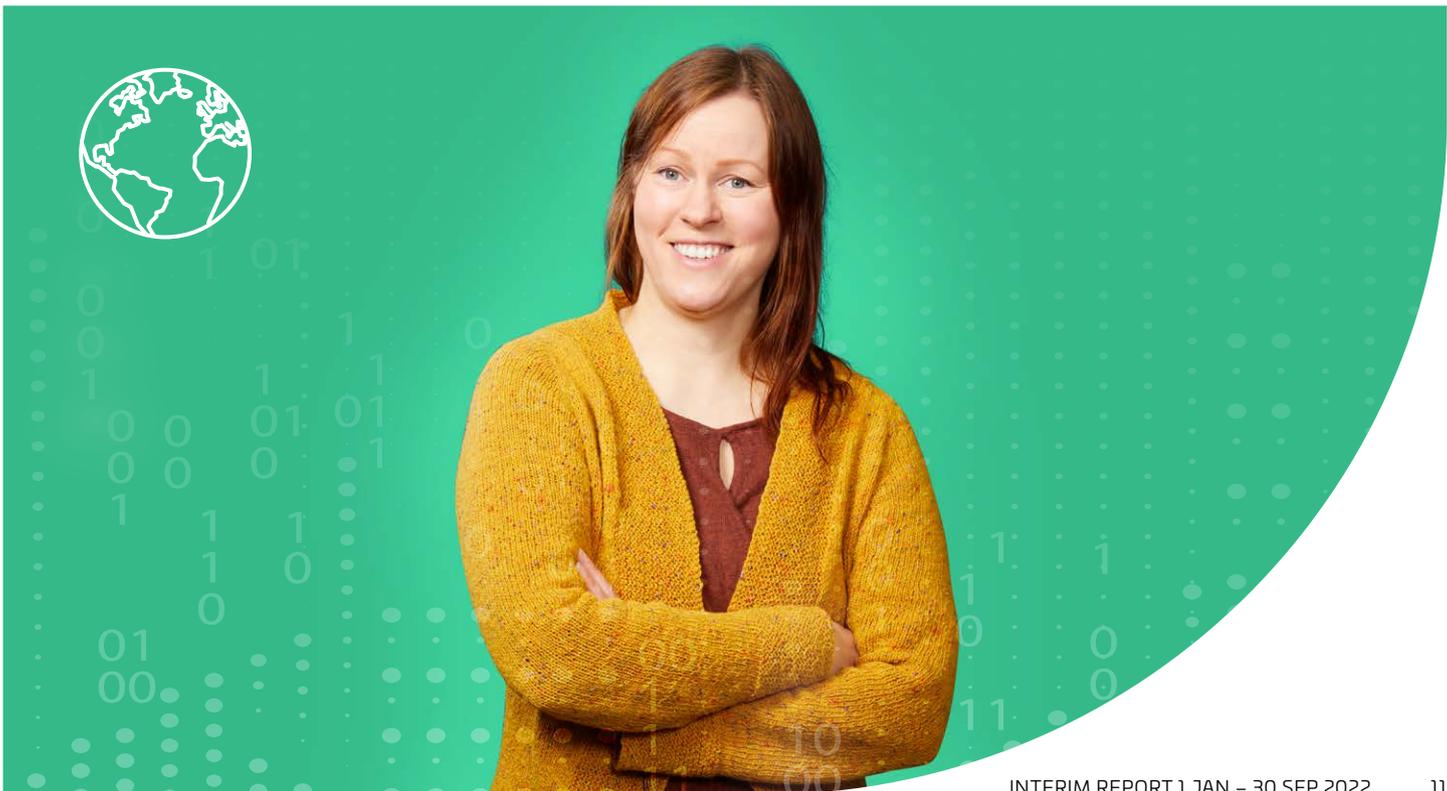
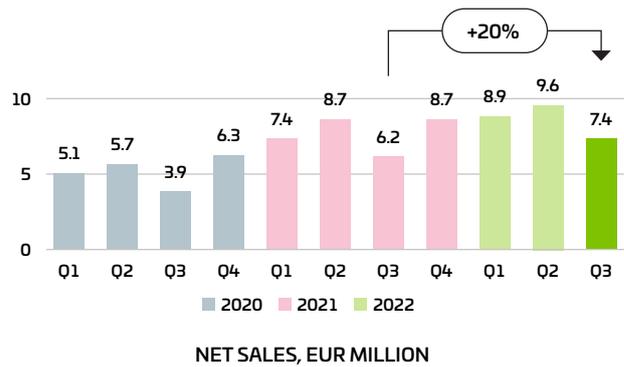
Net sales from the Group’s operations in **Sweden** were up by 20 percent on the previous year and amounted to EUR 74 (6.2) million in the third quarter. Net sales in Sweden accounted for approximately 16 (16) percent of the Group’s total net sales.

Most of the net sales growth in Sweden was organic. Demand in the Swedish market remained solid overall. The order book fell but remained at a high level. General uncertainty has also increased in Sweden, but certain client segments, such as pharmaceutical companies’ sophisticated industrial projects and modular prefab construction, continue to exhibit high demand.

Sitowise won significant contracts from several pharmaceutical manufacturers – Pfizer, KeyPlants, and Astra Zeneca – relating to the construction or expansion of production facilities. The growth of the renovation market was also visible in Sweden, where real estate owners are busy converting their premises to meet changing needs and to boost the performance and competitiveness of their real estate.

The integration of E60 Elkonsult AB, which was acquired in June, continued successfully, and new opportunities involving other business lines have been identified.

Most of the net sales growth in Sweden was organic, and demand in the Swedish market remained solid overall.



SUSTAINABILITY

At the end of the third quarter of 2022, the sustainability tool developed by Sitowise was used in **78 (37) percent** of all new projects started in Finland. Sitowise’s aim is for all projects starting in the Group’s business areas to utilize the sustainability tool, thereby integrating corporate responsibility and sustainable solutions into every client project. The tool is currently used in Finland and the intention is that it will be implemented in Sweden during 2023.

As part of its sustainability program, Sitowise has set itself the goal of being the most equal and prosperous work community in the industry. This includes taking into account and increasing the experience of diversity and equality at Sitowise. Diversity work was initiated in the spring of 2022, and a diversity, equality and inclusiveness survey was sent to all personnel in September. The results of the survey will be used in setting goals and measures for diversity work.

Another goal of Sitowise’s sustainability responsibility program is to promote the development of the entire industry to become even more responsible. To advance this goal, Sitowise has created The Smart City Talks event concept, which brings industry influencers together to talk about the industry’s current sustainability issues. On 17 September 2022, the main event of the year was organized, the topic of which was diversity from the perspective of workplaces, nature and cities. The hybrid event open to everyone attracted more than 1,000 viewers and the recording has been viewed more than 2,000 times during the autumn.

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

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



PERSONNEL AND MANAGEMENT

PERSONNEL

	7-9/ 2022	7-9/ 2021	1-9/ 2022	1-9/ 2021	1-12/ 2021
Number of personnel, average	2,177	1,990	2,122	1,953	1,969
Number of personnel, at the end of the period	2,208	1,991	2,208	1,991	2,034

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

GROUP MANAGEMENT TEAM

Members of the Group Management Team on 30 September 2022 were:

- Heikki Haasmaa (CEO)
- Heidi Karlsson (CFO until 30 September 2022; Hanna Masala, CFO as of 1 October 2022)
- Jonas Larsson (Head of Swedish Operations)
- Taija Lehtola (Chief Human Resources Officer as of 29 August 2022)
- 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)

CORPORATE GOVERNANCE

BOARD AUTHORIZATIONS

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

The Board of Directors is authorized to decide on the issuance of shares as well as the issuance of special rights entitling to shares referred to in chapter 10, section 1 of the Finnish Companies Act as follows: The number of shares to be issued based on the authorization shall not exceed 3,500,000 shares, which corresponds to approximately 9.8 per cent of all 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 Board of Directors is authorized to decide on the repurchase of the company's own shares as follows: The number of own shares to be repurchased based on the authorization shall not exceed 3,500,000 shares in total, which corresponds to approximately 9.8 percent of all the shares in the company. 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 own shares and, inter alia, derivatives can be used for the repurchase. Own shares do not have to be acquired proportionally to the amount 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 2023.

The Board of Directors decided on a directed share issue of 95,532 shares based on the previous share issue authorization in connection with an acquisition on 31 January 2022. The Board of Directors has decided on directed share issues based on the current share issue authorization in connection with acquisitions on 31 May 2022 and 20 June 2022 and consequently issued 161,206, 44,843 and 171,771 shares, amounting to 377,820 shares in total.

At the end of the review period on 30 September 2022, the Board's remaining share issue authorization amounted to 3,122,180 shares.

The Board of Directors decided on 17 March 2022 to launch a share repurchase program of own shares based on its previous buyback authorization, and the program was extended based on an authorization granted by shareholders at the Annual General

Meeting of 20 April 2022. The shares were repurchased to be used as contribution in potential future acquisitions and as part of Sitowise's incentive schemes. The maximum number of shares to be repurchased was set at 500,000, and the amount to be used was capped at EUR 4.35 million. Sitowise completed the share repurchase program in question on 31 August 2022. The first repurchases were made on 18 March 2022 and the last on 31 August 2022. Sitowise repurchased a total of 500,000 of the company's own shares between these dates, with a total value of

EUR 2,720,089.50 and an average price of EUR 5.44 per share. The shares were repurchased through public trading on the Nasdaq Helsinki Oy at the market price prevailing at the time of repurchase.

At the end of the review period on 30 September 2022, the Board's remaining authorization for the repurchase of the company's own shares amounted to 3,000,000 shares.

SHARES AND SHAREHOLDERS

SHARES OUTSTANDING AND SHARE CAPITAL

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

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

The company held 308,325 of its own shares at the end of the review period on September 30, 2022.

	30 Sep 2022	30 Sep 2021
Registered share capital, EUR thousand	80	80
Registered total number of shares	35,665,927	35,415,927
Shares owned by the company	308,325	92,608

TRADING OF SHARES

SITOWS Nasdaq Helsinki	7-9/2022	7-9/2021
Number of shares traded, million	2.3	1.5
Value of trading, EUR million	11.8	12.6
Closing price on the final day of trading, EUR	4.00	7.97
Volume-weighted average price, EUR	5.13	8.45
Highest price, EUR	6.07	8.94
Lowest price, EUR	3.93	7.9
Market capitalization (at the end of the period), EUR million	142.5	282.3

SHAREHOLDERS

At the end of the review period, 30 September 2022, the number of registered shareholders was 6,168 (6,581). Nominee-registered shareholders accounted for 35.6 (31.4) percent of the company's shares. The ten largest shareholders entered in the book-entry register maintained by Euroclear Finland Oy owned a total of 30.3 (32.6) 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 30 September 2022 based on information from the Monitor service provided by the Swedish company Modular Finance AB: *)

Shareholder	# of shares	% of shares
1 Intera Fund III Ky	5,121,573	14.4%
2 Lannebo Fonder AB	2,264,924	6.4%
3 Didner & Gerge Småbolag	1,463,414	4.1%
4 Evli Finnish Small Cap	1,269,222	3.6%
5 Avanza Pension	1,110,089	3.1%
6 Ilmarinen Mutual Pension Insurance Company	1,071,500	3.0%
7 SEB Finland Small Cap	895,206	2.5%
8 Skedevi Holding AB	850,000	2.4%
9 Mandatum Life Insurance Company Limited	840,861	2.4%
10 Handelsbanken Fonder	672,079	1.9%
10 largest in total	15,558,868	43.6%
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 provided by the service provider, which is provided only as additional information. The company's shareholder register is available from Euroclear, and the company additionally publishes any flagging notifications it receives as stock exchange releases.

FLAGGING NOTIFICATIONS

Sitowise did not receive any notifications pursuant to chapter 9, section 5 of the Finnish Securities Markets Act during the third quarter of the year.

RISKS AND UNCERTAINTIES

Significant risks and uncertainties related to the Sitowise Group's business include operational and damage risks, and strategic and financial risks and uncertainties to which the Group's financial performance is exposed. The annual survey that forms the basis for the Group's risk assessment was completed in the third quarter and its results are discussed in meetings of the Group's business areas, Group Management Team, and Board of Directors. The Sitowise Group's risk management process and responsibilities are described on the Group's website (www.sitowise.com).

In terms of operational risks, the most pronounced personnel risks of the Sitowise Group relate to retention of current experts, well-being, 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 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, and damage risks include IT system and cybersecurity risks.

Sitowise Group's strategic risks include among other things that the planned growth based on 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 acquisition are not reached in the integration of acquired companies. Uncertainty in the financial markets or rising interest rates leading to higher costs and reduced availability of financing (adequacy, timeliness, and with favorable terms) is both a strategic and a financial risk for the Sitowise Group, as Sitowise finances its business and investments

through cash flow and loans and needs external financing 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 has only limited direct effects on Sitowise. Should, for example, market growth in the construction industry slows down as a result of the consequences of the war or due to its consequences, this poses a risk to the development of Sitowise's business from the perspective of growth and profitability. The company does not have offices in Russia, Belarus, or Ukraine, nor does it export to these countries. However, sanctions imposed on account of Russia's acts of war and the changing operating environment outside of the scope of the sanctions – as well as counter-sanctions – may create uncertainties.

Uncertainty created by changes in the global economy and market conditions poses risks to Sitowise's business. Higher inflation than previously, 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 described comprehensively in the offering circular of 12 March 2021 and our 2021 Annual Report (available on the Group's website at www.sitowise.com), and they still form a valid overview of current risks.

SEASONALITY

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

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

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

QUARTERLY NET SALES AND EBITA OF THE GROUP

EUR million	Q1/2021	Q2/2021	Q3/2021	Q4/2021	Q1/2022	Q2/2022	Q3/2022
Net sales	42.8	46.5	39.6	50.5	49.2	51.7	45.9
Other operating income	0.2	0.4	0.2	0.1	0.1	0.1	0.1
Materials and services	-2.4	-3.1	-3.8	-5.2	-4.1	-5.0	-5.1
Personnel expenses	-29.1	-30.7	-24.3	-31.1	-32.2	-33.4	-27.7
Other operating expenses	-4.9	-5.3	-4.9	-6.8	-5.9	-6.6	-6.4
Depreciations	-1.8	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9
EBITA, adjusted	4.7	5.9	4.9	5.6	5.2	4.9	4.9
EBITA, adjusted %	11.0%	12.7%	12.4%	11.1%	10.6%	9.5%	10.7%
Items affecting comparability	-0.6	-1.3	-0.3	-0.4	-1.7	-1.6	-0.3
EBITA	4.1	4.7	4.6	5.2	3.5	3.3	4.6
EBITA %	9.5%	10.0%	11.6%	10.3%	7.2%	6.4%	10.0%



MAIN EVENTS AFTER PERIOD-END

CFO

On 1 October 2022, Hanna Masala started as CFO.

ACQUISITION

On 18 October 2022, Sitowise announced it had issued 188,926 of its own shares in connection with the acquisition of Convia Ingenjörbyrå AB and Convia Infrastructure AB through a directed share issue. The acquired companies provide construction consulting services focusing on structures, buildings, and infrastructure. The companies employ 23 people in Sweden, and their net sales exceeded SEK 36.6 million in 2021. Further information can be found in the stock exchange and media release published by Sitowise on the company's website.

GUIDANCE UPDATED

On 26 October 2022, Sitowise issued a profit warning and updated its guidance for profitability in 2022. The guidance for net sales remained unchanged.

FLAGGING NOTIFICATION

On 27 October 2022, Sitowise announced it had received a notification in accordance with the Chapter 9, Section 10 of the Finnish Securities Market Act from Paradigm Capital Value Fund SICAV, according to which Paradigm Capital Value Fund SICAV's direct holding of the shares and votes of the Company increased to 5 percent on 26 October 2022. According to the notification, Paradigm Capital Value Fund SICAV holds a total of 1,784,944 shares corresponding to 5.00 percent of the Company's shares and votes.

Espoo, 2 November 2022
Sitowise Group Plc
Board of Directors

SITOWISE IN BRIEF:

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

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

ADDITIONAL INFORMATION

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Minttu Vilander, Chief Communications and
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FINANCIAL CALENDAR

Sitowise will announce the planned publication dates for financial reports in 2023 before the end of the year 2022.

WEBCAST FOR ANALYSTS, MEDIA, AND INVESTORS

2 November 2022 at 1.00 p.m. (EET)

DISTRIBUTION:

Nasdaq Helsinki Ltd
Key media
www.sitowise.com

Jonas, Head of Swedish Operations



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

EUR thousand	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021
Net sales	45,917	39,570	146,841	128,879	179,334
Other operating income	76	185	247	916	976
Materials and services	-5,095	-3,782	-14,276	-9,354	-14,589
Personnel expenses	-27,862	-24,320	-93,743	-84,616	-115,696
Other operating expenses	-6,565	-5,181	-21,994	-16,934	-24,064
Depreciation and amortization	-2,726	-2,503	-7,692	-7,070	-9,586
Operating profit	3,745	3,969	9,382	11,821	16,376
Financial income	153	9	285	159	184
Financial expenses	-552	-693	-2,418	-5,425	-6,270
Result before taxes	3,346	3,285	7,248	6,555	10,290
Income taxes	-531	-682	-1,743	-1,367	-2,388
Result for the period	2,815	2,603	5,505	5,188	7,903
Attributable to:					
Owners of the parent	2,783	2,547	5,429	5,088	7,827
Non-controlling interest	31	56	76	101	76
Other comprehensive income:					
Items that will not be reclassified as profit or loss					
Recognition of change in the fair value of other investments through comprehensive income	0	0	0	55	55
Items that may be reclassified to profit or loss					
Change in translation difference	-906	-38	-2,595	-84	-204
Total comprehensive income	1,908	2,565	2,911	5,159	7,754
Comprehensive income attributable to:					
Owners of the parent	1,877	2,509	2,834	5,059	7,678
Non-controlling interest	31	56	76	101	76
Earnings per share:					
Earnings per share (EUR)	0.08	0.07	0.15	0.14	0.22
Diluted earnings per share (EUR)	0.08	0.07	0.15	0.14	0.22

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (unaudited)

EUR thousand	30 Sep 2022	30 Sep 2021	31 Dec 2021
Assets			
Goodwill	154,608	133,860	135,193
Other intangible assets	8,692	7,777	7,543
Tangible assets	31,585	31,584	31,421
Other shares, similar rights of ownership, and receivables	1,852	1,880	1,865
Deferred tax assets	1,366	1,782	1,077
Total non-current assets	198,103	176,884	177,098
Trade and other receivables	52,590	45,976	52,099
Deferred tax assets	1,328	1,428	1,204
Cash and cash equivalents	7,979	9,265	19,353
Total current assets	61,898	56,668	72,656
Total assets	260,001	233,553	249,754
EUR thousand	30 Sep 2022	30 Sep 2021	31 Dec 2021
Shareholders' equity and liabilities			
Share capital	80	80	80
Fund for invested unrestricted equity	95,512	94,823	95,310
Fair value reserve	285	285	285
Translation difference	-2,438	275	157
Retained earnings	20,910	16,049	18,840
Equity attributable to owners of the parent	114,348	111,512	114,672
Non-controlling interest	262	211	186
Total shareholders' equity	114,610	111,722	114,858
Deferred tax liabilities	1,581	2,055	1,565
Financial liabilities	88,211	71,721	70,983
Other liabilities	0	12	12
Total non-current liabilities	89,792	73,787	72,560
Income tax liabilities	1,082	1,958	2,273
Financial liabilities	9,534	6,989	7,624
Provisions	1,071	1,477	1,428
Trade payable and other liabilities	43,913	37,619	51,010
Total current liabilities	55,599	48,043	62,336
Total shareholders' equity and liabilities	260,001	233,553	249,754

CONSOLIDATED CASH FLOW STATEMENT (unaudited)

EUR thousand	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021
Cash flow from operating activities:					
Result for the period	2,815	2,603	5,505	5,188	7,903
Adjustments					
Income taxes	531	682	1,743	1,367	2,388
Depreciation and amortization	2,726	2,503	7,692	7,070	9,586
Financial income and expenses	399	684	2,134	5,266	6,086
Other adjustments	68	32	185	103	154
Change in working capital					
Trade and other receivables, increase (-) / decrease (+)	1,666	726	1,729	1,660	-4,177
Trade and other payables, increase (+) / decrease (-)	-7,626	-6,786	-9,402	-11,853	878
Interest paid and other financial expenses	-523	-455	-1,438	-1,936	-2,430
Interest received and other financial income	88	12	126	164	186
Income taxes paid	-1,003	-714	-3,835	-3,067	-3,425
Net cash flows from operating activities	-859	-713	4,439	3,962	17,149
Cash flow from investing activities:					
Investments in tangible and intangible assets	-1,039	-412	-2,585	-1,326	-2,209
Acquisitions of subsidiaries, net cash acquired	-75	-9,320	-25,392	-18,600	-19,900
Net cash flows from investing activities	-1,114	-9,732	-27,978	-19,925	-22,109
Cash flow from financing activities:					
Payments from share issue	0	1,067	2,922	78,275	78,762
Paid IPO costs	0	-163	0	-5,078	-5,078
Share repurchase	-1,075	0	-2,720	-22	-22
Dividend distribution and capital repayment	0	0	-3,545	-22,286	-22,286
Withdrawal of loans	1,924	10,500	20,924	50,119	50,119
Repayments of loans	-2	-21	-549	-72,750	-72,753
Repayments of subordinated loans	0	0	0	-14,145	-14,145
Lease liabilities, increase (+) / decrease (-)	-1,566	-1,425	-4,574	-4,320	-5,766
Net cash flow from financing activities	-718	9,959	12,458	9,793	8,831
Cash and cash equivalents at the start of the period	10,718	9,738	19,353	15,463	15,463
Change in cash and cash equivalents, increase (+) / decrease (-)	-2,690	-486	-11,080	-6,171	3,871
Translation differences	-49	12	-294	-28	19
Cash and cash equivalents at the end of the period	7,979	9,265	7,979	9,265	19,353

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY (unaudited)

EUR thousand	Equity attributable to owners of parent								Non-controlling interest	Total shareholders' equity
	Share capital	Fund for invested unrestricted equity	Fair value reserve	Subordinated loans	Translation differences	Retained earnings	Total			
Shareholders' equity 1 Jan 2022	80	95,310	285	0	156	18,840	114,672	186	114,858	
Result for the period						5,429	5,429	76	5,505	
Other comprehensive income			0	0	-2,595		-2,595		-2,595	
Total comprehensive income	0	0	0	0	-2,595	5,429	2,834	76	2,911	
Share issues		2,922					2,922		2,922	
Share repurchase		-2,720					-2,720		-2,720	
Dividend distribution and capital repayment						-3,545	-3,545		-3,545	
Share-based incentive schemes						185	185		185	
Transactions with owners	0	201	0	0	0	-3,360	-3,158	0	-3,158	
Shareholders' equity 30 Sep 2022	80	95,512	285	0	-2,439	20,910	114,348	262	114,610	
Shareholders' equity 1 Jan 2021	3	40,663	230	14,145	360	11,370	66,770	110	66,880	
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	
Subordinated loan				-14,145			-14,145		-14,145	
Interest of subordinated loans						-198	-198		-198	
Share-based incentive schemes						109	109		109	
Transactions with owners	78	54,160	0	-14,145	0	-409	39,684	0	39,684	
Shareholders' equity 30 Sep 2021	80	94,823	285	0	276	16,049	111,511	211	111,722	

NOTES TO THE INTERIM REPORT

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

The explanatory part of the interim report describes the effects of the 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 described in the section Risks and Uncertainties of this interim report.

1. NET SALES

Net sales by business area

EUR thousand	7-9/ 2022	7-9/ 2021	1-9/ 2022	1-9/ 2021	1-12/ 2021
Buildings	18,183	15,516	58,329	52,340	72,121
Infrastructure ²⁾	13,330	12,368	43,204	41,047	56,429
Digital Solutions ^{1), 2)}	6,963	5,501	19,364	13,207	19,759
Sweden	7,440	6,185	25,943	22,286	31,025
Total	45,917	39,570	146,841	128,879	179,334

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

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

Net sales by geographical area

EUR thousand	7-9/ 2022	7-9/ 2021	1-9/ 2022	1-9/ 2021	1-12/ 2021
Finland	36,845	31,667	115,668	104,532	144,456
Sweden	8,891	7,674	30,508	23,681	33,967
Other countries	180	228	664	666	912
Total	45,917	39,570	146,841	128,879	179,334

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

Revenue from client contracts expected to be recognized and related to the remaining performance obligations as of 30 September 2022 is approximately EUR 175 million.

2. ACQUISITIONS (Business combinations)

The Sitowise Group did not have acquisitions during the third quarter. The acquisitions completed during the year 2022 are presented below.

Company	Time	Transaction method	Location	Personnel	Net sales in 2021 EUR million
Mavacon AB	1/2022	Share purchase (100%)	Falun (Sweden)	13	2.3
VRT Survey	1/2022	Business acquisition	Jyväskylä (Finland)	9	-
Rakennutta-jakaari Oy	6/2022	Share purchase (100%)	Helsinki (Finland)	45	5.0
E60 Elkonsult AB	6/2022	Share purchase (100%)	Norrköping (Sweden)	10	1.1
Bitcomp Oy	6/2022	Share purchase (100%)	Jyväskylä (Finland)	80	5.7

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

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

3. FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES

Fair value hierarchy levels:

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

Financial assets

EUR thousand	Measured at amortized cost	Measured at fair value through other comprehensive income	Measured at fair value through profit or loss	Book value total	Fair value	Level
Non-current financial assets						
Other shares and holdings		731		731	731	Level 3
Loan receivables	917			917	917	Level 2
Other financial assets	208			208	208	Level 2
Current financial assets						
Trade receivables	30,434			30,434	30,434	Level 2
Cash and cash equivalents	7,979			7,979	7,979	Level 1
Financial assets 30 Sep 2022	39,538	731	0	40,268	40,268	

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	233			233	233	Level 2
Current financial assets						
Trade receivables	28,123			28,123	28,123	Level 2
Cash and cash equivalents	9,265			9,265	9,265	Level 1
Financial assets 30 Sep 2021	38,537	731	0	39,268	39,268	

Financial liabilities

EUR thousand	Measured at amortized cost	Measured at fair value through other comprehensive income	Measured at fair value through profit or loss	Book value total	Fair value	Level
Non-current financial liabilities						
Loans from financial institutions	67,964			67,964	67,964	Level 2
Lease liabilities	20,247			20,247		Level 2
Current financial liabilities						
Loans from financial institutions	2,925			2,925	2,925	Level 2
Trade payables	6,020			6,020	6,020	Level 2
Additional purchase price liabilities				0	0	Level 3
Lease liabilities	6,609			6,609		Level 2
Financial liabilities 30 Sep 2022	103,765	0	0	103,765	76,910	

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	49,679			49,679	49,679	Level 2
Lease liabilities	22,042			22,042		Level 2
Current financial liabilities						
Loans from financial institutions	508			508	508	Level 2
Trade payables	3,571			3,571	3,571	Level 2
Additional purchase price liabilities			45	45	45	Level 3
Lease liabilities	6,480			6,480		Level 2
Financial liabilities 30 Sep 2021	82,281	0	45	82,326	53,803	

Loans from financial institutions consist of a floating rate bank loan. A term loan of approximately EUR 69 million has been drawn down from the financing agreement and approximately EUR 2 million of credit limit was in use. The Group met all covenant conditions in its Financing contract during the review period.

4. GUARANTEES AND CONTINGENT LIABILITIES

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

5. SHARES

Number of shares used in calculating earnings per share

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

	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021
Number of shares	35,665,927	35,415,927	35,665,927	35,415,927	35,415,927
Number of shares, average	35,665,927	35,391,470	35,664,075	35,227,901	35,290,804
Diluted number of shares	35,665,927	35,415,927	35,665,927	35,415,927	35,665,927
Diluted number of shares, average	35,665,927	35,415,927	35,665,927	35,291,610	35,333,200

6. RELATED PARTY TRANSACTIONS

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

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

7. FINANCIAL AND ALTERNATIVE KEY FIGURES

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

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

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

Key figures describing financial development

EUR thousand	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021
Net sales	45,917	39,570	146,841	128,879	179,334
Growth in net sales, %	16.0%	14.9%	13.9%	9.5%	12.0%
Adjusted organic growth in net sales, %	6%	0%	6%	-2%	0%
EBITA, adjusted	4,919	4,909	15,066	15,555	21,146
% of net sales	10.7%	12.4%	10.3%	12.1%	11.8%
EBITA	4,520	4,586	11,358	13,320	18,523
Operating profit (EBIT)	3,745	3,969	9,382	11,821	16,376
% of net sales	8.2%	10.0%	6.4%	9.2%	9.1%
Result for the period	2,815	2,603	5,505	5,188	7,903
Balance sheet total			260,001	233,553	249,754
Cash and cash equivalents			7,979	9,265	19,353
Net debt			62,910	40,922	30,859
Cash flow from operating activities before financial items and taxes	579	444	9,585	8,801	22,818
Earnings per share (EUR)	0.08	0.07	0.15	0.14	0.22
Diluted earnings per share (EUR)	0.08	0.07	0.15	0.14	0.22
Earnings per share, continuing operations (EUR)	0.08	0.07	0.15	0.14	0.22
Diluted earnings per share, continuing operations (EUR)	0.08	0.07	0.15	0.14	0.22
Return on equity (ROE), %			7.2%	8.6%	8.7%
Return on capital employed (ROCE), %			6.9%	8.5%	8.9%
Equity ratio, %			44.1%	47.8%	46.0%
Net debt / EBITDA, adjusted			2.9x	2.0x	1.4x
Gearing, %			54.9%	36.6%	26.9%
Number of personnel, average	2,177	1,990	2,122	1,953	1,969
Full-time equivalent (FTE), average	1,946	1,705	1,860	1,704	1,697
Utilization rate	76.0%	77.1%	76.1%	76.5%	76.6%

8. FORMULAS OF FINANCIAL AND ALTERNATIVE KEY FIGURES

Adjusted organic growth in net sales	=	Growth in net sales excluding acquisitions and divestments adjusted by the number of working days and exchange rate impact
EBITA	=	Operating profit + amortization of intangible assets
EBITA, adjusted	=	EBITA + items affecting comparability
EBITDA, adjusted	=	EBITDA + items affecting comparability, in addition lease liabilities are treated as operating leases, so lease expenses on the whole affect EBITDA
Items affecting comparability	=	Items affecting comparability are primarily costs associated with M&A and integration, restructuring as well as IPO readiness
Net debt	=	Loans from financial institutions – cash and cash equivalents (Net debt does not include lease liabilities)
Return on equity (ROE), %	=	$\frac{\text{Profit for the period, prev. 12 months}}{\text{Total shareholders' equity, average}}$
Return on capital employed (ROCE), %	=	$\frac{(\text{Profit before taxes + financial expenses}), \text{ prev. 12 months}}{(\text{Balance sheet total} - \text{non-interest-bearing debt}), \text{ average}}$
Equity ratio, %	=	$\frac{\text{Total shareholders' equity}}{\text{Balance sheet total}}$
Net debt / EBITDA, adjusted	=	$\frac{\text{Net debt}}{\text{EBITDA, adjusted, prev. 12 months}}$
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	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021
Net sales	45,917	39,570	146,841	128,879	179,334
Adjusted organic growth in net sales, %					
Growth in net sales	16%	15%	14%	10%	12%
Impact of acquisitions	-10%	-14%	-8%	-11%	-11%
Impact of number of working days	-1%	0%	-1%	0%	0%
Impact of exchange rates	1%	0%	1%	-1%	-1%
Adjusted organic growth in net sales, %	6%	0%	6%	-2%	0%
EBITA					
Operating profit (EBIT)	3,745	3,969	9,382	11,821	16,376
Amortizations of intangible assets	-776	-617	-1,976	-1,499	-2,147
EBITA	4,520	4,586	11,358	13,320	18,523
EBITA %	9.8%	11.6%	7.7%	10.3%	10.3%
Items affecting comparability					
Restructuring costs	236	0	544	181	181
M&A and integration costs	24	191	2,233	1,442	1,683
Costs related to IPO readiness	0	0	0	196	196
Other	139	132	931	417	555
Items affecting comparability, EBITDA	399	323	3,709	2,236	2,615
Items affecting comparability, depreciations	0	0	0	0	8
Items affecting comparability, EBITA	399	323	3,709	2,236	2,623
EBITA, adjusted					
EBITA	4,520	4,586	11,358	13,320	18,523
Items affecting comparability, EBITA	399	323	3,709	2,236	2,623
EBITA, adjusted	4,919	4,909	15,066	15,555	21,146
EBITA, adjusted %	10.7%	12.4%	10.3%	12.1%	11.8%
EBITDA					
Operating profit (EBIT)	3,745	3,969	9,382	11,821	16,376
Depreciation and amortization	-2,726	-2,503	-7,692	-7,070	-9,586
EBITDA	6,471	6,472	17,074	18,891	25,962
EBITDA %	14.1%	16.4%	11.6%	14.7%	14.5%
Net debt					
Loans from financial institutions			70,889	50,187	50,212
Cash and cash equivalents			7,979	9,265	19,353
Net debt			62,910	40,922	30,859
EBITDA, adjusted (prev. 12 months)					
EBITDA (prev. 12 months)			24,145	23,682	25,962
Items affecting comparability, EBITDA (prev. 12 months)			4,087	3,151	2,615
Operational lease liabilities (IFRS16) (prev. 12 months)			-6,275	-6,242	-6,148
EBITDA, adjusted (prev. 12 months)			21,957	20,592	22,429
Net debt / EBITDA, adjusted					
Net debt			62,910	40,922	30,859
EBITDA, adjusted (prev. 12 months)			21,957	20,592	22,429
Net debt / EBITDA, adjusted			2.9x	2.0x	1.4x
Gearing, %					
Total shareholders' equity			114,610	111,722	114,858
Net debt			62,910	40,922	30,859
Gearing, %			54.9%	36.6%	26.9%

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