



Solwers Plc

Financial Statements Release

1 January–31 December 2021

SOLWERS

The figures for the financial year (1 January–31 December 2021) are unaudited (IFRS)

Year of strong growth

July–December 2021 in brief

The figures in brackets refer to the corresponding period in 2020 and are expressed in the same unit, except where otherwise noted.

- Revenue was EUR 22.7 (18.8) million
- EBITA was EUR 2.0 (2.5) million
- Profitability during the period under review was reduced by project postponements and completions in a few subsidiaries.
- The impacts of the COVID-19 pandemic were reflected on business especially in the second half of the year
- Three acquisitions were made during the period. The effect of the last of the three acquisitions, ELE Engineering, will be reflected in the Company's results in 2022

January–December 2021 in brief

- Revenue amounted to EUR 44.7 (32.6) million, with the year-on-year increase of 36.8% being mainly attributable to acquisitions
- EBITA was EUR 4.7 (4.4) million, or 10.5% (13.6%) of revenue.
- The invoicing rate was 82.2% (85.7%)
- The Company continued to execute its growth strategy by acquiring three companies in Finland and two in Sweden
- Profitability remained at a good level but declined somewhat year-on-year due to a temporary reduction in business volume in a couple of companies and increased sickness-related absences due to the COVID-19 pandemic.
- The net profit, EUR 1.7 (2.7) million, and earnings per share, EUR 0.20 (0.40), were weighed down by expenses related to interest accumulated the last 3,5 years of EUR 0.7 million paid to creditors in connection with the conversion of capital loans to equity, and expenses of EUR 0.4 million arising from a change in a debt financing agreement and foreign exchange losses
- The balance sheet total increased to EUR 70.4 (40.0) million due to share issues carried out during the year for the purpose of the Company's expansion and increased debt financing for the same purpose
- The capital structure remains strong, with the adjusted equity ratio being 45.2% (44.7%) at the end of the year
- Solwers was listed on the First North Growth Market Finland marketplace in June. Trading in the Company's shares started on 18 June 2021

- The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.04 per share be paid, corresponding to EUR 350,343.36 in total. According to the dividend policy, Solwers distributes dividends corresponding to 20–40% of its profit.

Key figures

SOLWERS CONSOLIDATED						
EUR thousand	2021	2020	Change	H2/2021	H2/2020	Change
Revenue	44 662	32 649	12 013	22 700	18 755	3 945
EBITDA	5 495	4 970	525	2 482	2 850	-368
EBITDA-%	12,3%	15,2%	-2,9%	10,9%	15,2%	-4,3%
EBITA	4 708	4 427	281	2 044	2 490	-446
EBITA-%	10,5%	13,6%	-3,0%	9,0%	13,3%	-4,3%
EBIT	3 371	3 539	-168	1 353	2 004	-651
EBIT-%	7,5%	10,8%	-3,3%	6,0%	10,7%	-4,7%
Net Profit	1 672	2 675	-1 004	644	1 606	-962
Net Profit-%	3,7%	8,2%	-4,5%	2,8%	8,6%	-5,7%
Earnings per share (EPS) ¹⁾ , EUR	0,20	0,40	-0,20	0,07	0,25	-0,17
Revenue per employee	112	110	3	57	63	-6
Revenue growth	36,8 %	26,5 %	10,3 %	21,0 %	40,4 %	-19,4 %
Billing rate	82,2 %	85,7 %	-3,5 %	82,7 %	87,9 %	-5,2 %
Adjusted equity	31 750	17 869	13 882	31 750	17 869	13 882
Net debt	14 119	12 741	1 378	14 119	12 741	1 378
Equity ratio, %	45,2%	31,8%	13,4%	45,2%	31,8%	13,4%
Adjusted equity ratio, % ²⁾	45,2%	44,7%	0,6%	45,2%	44,7%	0,6%
Total assets	70 195	40 017	30 178	70 195	40 017	30 178
Headcount, average	397	297	100	397	297	100
Headcount, at period end	571	371	200	571	371	200

¹⁾ Comparison period and year 2020 adjusted for share split executed during review period

²⁾ Capital loans categorized as equity

CEO Stefan Nyström's review



Solwers had a busy year of significant achievements in 2021. I am pleased with our efforts, and I want to take this opportunity to thank our personnel for supporting our strong growth through their commitment and professionalism.

Our revenue grew by nearly 37 percent and amounted to EUR 44.7 million. We strengthened the Solwers network by acquiring five companies and had 200 new professionals join our ranks. Two of the acquired companies are in Sweden and three in Finland. The combined revenue of the acquired companies exceeded EUR 19 million in 2021. Lukkaroinen Architects increases our expertise in the architectural design of public facilities, such as hospitals and schools, while ELE Engineering is an experienced engineering service provider focusing on electrical and automation solutions for industrial customers. Falk Construction Management and Inmeco Building Consultants strengthen our expertise in project management, and LVI-insinööritoimisto Meskanen specializes in HVAC engineering. In

addition, we moved Rockplan's structural engineering business to Pontek, which better enables both companies to focus on their core business.

Our EBITA for 2021 was 10.5%. Profitability was reduced by the cancellation of a significant project in one subsidiary, the postponement of a few smaller projects and the temporarily lower order backlog during the financial year. In the latter part of the year, the Omicron variant of COVID-19 increased sickness-related absences, and the same trend has continued in early 2022. This will affect revenue and profit performance in a few of the Company's subsidiaries for as long as the COVID-19-related absences continue.

Our listing on the First North Growth Market Finland marketplace maintained by Nasdaq Helsinki in the spring was a large project that kept much of our organization busy. As part of the project, we negotiated the acquisition of minority interests in our subsidiaries. Following these arrangements, Solwers now has a shareholding of more than 90% in all its subsidiaries except Taitotekniikka and Contria. The successful IPO saw Solwers issue 1.2 million new shares and raise gross proceeds of EUR 9.0 million, which supports the execution of our strategy. In connection with the IPO, the Company's financing structure was also changed by converting the capital loans on the Company's balance sheet into equity and by signing a new financing agreement with the Company's primary financing bank, which made it possible to finance new acquisitions partly with debt. We also streamlined our group structure in the fall by transferring ownership of all our Swedish subsidiaries under Solwers Sweden AB at the end of September.

Solwers companies had over 3,800 (2,100) projects during the year, with most of these being relatively small assignments valued at less than EUR 10,000. Examples of major projects during the year included Architects Davidsson Tarkela designing the renovation projects of Lahti City Hall and the National Museum of Finland in Helsinki. The same company also participated in the architectural and conceptual design competition for Elielinaukio and Asema-aukio as part of the partnership that submitted the winning proposal, "Klyyga", which was described as distinctive and full of character.

Insinööritoimisto Pontek won a competition organized by the City of Oulu for designing Hartaansilta bridge. Pontek is also involved in designing the construction of the new main police station in Vantaa. Finnmap Infra was responsible for the construction plan for the Turku Ring Road development project. One good example of active cooperation between the Company's subsidiaries is a project related to the excavation and development of a large sports center in former caves in Kuopio's Savilahti district. Of the Solwers companies, Architects Davidsson Tarkela, Rockplan and Pontek are involved in the architectural and structural design of the project.

In the Swedish market, demand was stable and strong throughout the year. In Northern Sweden, Licab is involved in a large battery industry project and, in the developing region of Norrbotten, Licab's customers include the Swedish Transport Administration and the local municipalities. In Southern Sweden, Dreem Architects has several design projects under way, including the conversion of abandoned old shopping centers in small concrete towns built in the 1960s into offices, schools and active urban centers.

We continued to make progress in sustainability by making a commitment to the UN Sustainable Development Goals (SDGs) and joining the Global Compact in the spring. Together with the shared Code of Conduct, mission, vision and values of the Solwers companies, this commitment provides a framework for our operations. The Pasila circular economy project is pending a decision by the City of Helsinki to transfer the property in question.

In addition, we have put together operating practices and models, and we share best practices to strengthen our vision of being the preferred partner in visionary and sustainable design and engineering.

In 2022, we will continue to develop our subsidiaries, we will seek growth and improved profit performance, and we will strengthen our existing and new competencies. We intend to continue to make acquisitions in Sweden and Finland and, possibly, in new markets. We may also make smaller acquisitions to strengthen local expertise and capacity.

Our view is that the sudden change in the geopolitical situation may affect the willingness to invest in our operating segments, and we need to prepare for this.

Strategy and mid-term targets

Solwers' strategy is based on acquisitions and organic growth, the Company's attractiveness as a good employer for professionals in various fields and the continuous development of competence. Solwers aims to continue its growth and expansion. Smaller acquisitions of subsidiaries may also be made to strengthen local expertise and capacity.

Growth is supported by the megatrend of urbanization, which increases the construction of above-ground and underground infrastructure. Business growth is also supported by the increasing emphasis on sustainability, the accelerated green transition in Europe, new circular economy projects and the EU's introduction of stricter energy efficiency regulations. In addition, the maintenance backlog in society creates new business opportunities, and Solwers' strategy and business model – which are based on cost-efficiency – is a good fit with these opportunities.

The Solwers operating model supports the Solwers companies' different cultures, which increase job satisfaction while promoting innovation and creativity. Solwers also wants to give employees the opportunity to learn and develop their skills together with fellow professionals in workplace communities of manageable size.

In late 2021, Solwers Plc acquired ELE Engineering AB in Sweden. The acquisition expands the Solwers companies' service offering into the electricity, automation and power transmission markets. The growing demand for electricity, new sustainable energy production activities and the EU's increasingly strict energy regulations drive demand and create new customer assignments.

The Company will keep a close eye on the effects of the developing geopolitical situation, but nevertheless maintains its mid-term financial targets as set out in the prospectus published on 3 June 2021 in connection with the IPO. The targets are as follows:

- **Growth:** Revenue growth over 20% (12 months)
- **Profitability:** EBITA margin over 12%
- **Equity ratio:** Over 40%

Outlook

The level of investment varies from one year to the next and in different ways in different sectors. Public and private sector investments affect employment and profitability in the entire design and engineering sector, including Solwers. Expanding the service portfolio and the diversification of business and the geographical scope of operations through the Solwers companies provides balance and supports the achievement of the targets set by the Company. The demand for infrastructure design and engineering services in Finland is stable, and the demand for industrial and infrastructure design and project management services in Northern Sweden is expected to remain strong.

The Solwers companies do not operate in Russia or Ukraine, but the change in the geopolitical situation may affect customers' willingness to invest in Finland and Sweden.

The acquisitions made last year will increase Solwers' revenue in 2022 and strengthen the Company's expertise and market position. Solwers intends to make further acquisitions. The Company's priorities in its business operations are growth and improving profitability. The project portfolios of the few subsidiaries that previously suffered from a temporarily reduced order backlog have returned to normal and profitability has improved in the first couple of months of the year.

The COVID-19 pandemic has continued and, in the early part of the year, the number of sickness-related absences among the Company's personnel has increased substantially compared to previous years due to Omicron infections. This will affect the Company's revenue and profit performance for as long as the COVID-19-related absences continue.

Revenue, profitability and result

Solwers Plc's revenue grew in January–December by EUR 12.0 (6.8) million, mainly due to acquisitions. The relative rate of revenue growth was 36.8% (26.5%).

Operating expenses amounted to EUR 41.7 (29.4) million and represented 93.4% (90.0%) of revenue. The relative growth in expenses was mainly due to the acquisition of a few companies

whose profitability was below the target level during the past two years, postponed projects in a couple of subsidiaries during the past year and their decreased revenue due to the temporarily reduced order backlog.

For these reasons, the EBITA margin was 3.0 percentage points lower than in the previous year and amounted to 10.5% (13.6%). For largely the same reasons, the EBIT margin was 3.3 percentage points lower than in the previous year and amounted to 7.5% (10.8%).

Net financing expenses increased by EUR 1.2 million year-on-year and came to EUR 1.3 (0.1) million. The increase was mainly attributable to interest on capital loans amounting to EUR 0.8 (0.0) million and expenses of EUR 0.1 (0.0) million arising from a new financing agreement signed with the Company's main financing bank. Financing expenses were also increased by net foreign exchange losses of EUR 0.2 (0.0) million arising from SEK-denominated loans and financing of the Swedish subsidiary.

Mainly due to the afore mentioned reasons, the profit for the financial year decreased by EUR 1.0 million year-on-year and amounted to EUR 1.7 (2.7) million.

Balance sheet and financing

The balance sheet total was EUR 70.4 (40.0) million at the end of the financial year. The increase in total assets was due to share issues carried out during the year for the purpose of the Company's expansion and increased debt financing for the same purpose.

The capital invested in the Company was increased during the financial year by strengthening shareholders' equity through various share issues and by increasing debt financing. Due to the balanced increase in assets, the (adjusted) equity ratio remained excellent, amounting to 45.2% (44.7%) at the end of the year.

The company's equity was strengthened by a total of EUR 24.9 million during the year. EUR 12.0 million of that total came from paid share issues, of which EUR 9.0 million came from the gross proceeds raised from the IPO. The remaining EUR 12.9 million consisted of various directed share issues without consideration, relating to the conversion of capital loans, the acquisition of minority interests, company acquisitions and a share issue to key personnel.

At the end of the year, interest-bearing liabilities totaled EUR 26.8 (19.2) million, consisting of EUR 15.8 (8.1) million in loans from financial institutions, EUR 5.9 (2.4) million in purchase price liabilities arising from acquisitions, EUR 4.3 (3.3) million in lease liabilities, EUR 0.8 (0.3) million in other interest-bearing liabilities and EUR 0.0 (5.1) million in capital loans.

At the end of the year, the Company's net debt totaled EUR 14.1 (12.7) million. Cash and cash equivalents amounted to EUR 12.6 (6.1) million at the end of the financial year.

Cash flow

Net cash flow from operating activities was positive at EUR +4.7 (+4.3) million, net cash flow from investing activities was negative at EUR -11.4 (-2.7) million, and net cash flow from financing activities was positive at EUR +13.3 (+0.2) million. Net cash flow from operating activities was reduced by EUR -0.8 (-0.0) million in interest expenses on capital loans and expenses of EUR -0.1 (-0.0) million arising from a new financing agreement.

Most of the cash and cash equivalents used for investments consisted of net cash assets used in acquisitions, EUR -10.0 (-2.5) million, and cash assets of EUR -0.9 (-0.0) million used in the acquisition of non-controlling interests in subsidiaries.

Of the cash flow from financing activities, EUR 9.0 (0.0) million was derived from the gross proceeds raised from the IPO, EUR 3.6 (0.7) million from the proceeds of other paid share issues, and EUR 15.0 (2.2) million from withdrawals of loans from credit institutions.

The Company paid EUR -0.9 (0.0) million in IPO-related expenses and EUR -0.2 (0.0) million in expenses related to other paid share issues.

The Company repaid debts totaling EUR -11.2 (-3.4) million during the financial year. Of this total, repayments of loans from financial institutions amounted to EUR -8.0 (-1.4) million, repayments of lease liabilities amounted to EUR -1.9 (-1.1) million and repayments of other non-interest-bearing loans amounted to EUR -1.3 (-1.0) million.

Dividends paid amounted to EUR -2.0 (-0.6) million, of which EUR -0.5 (-0.2) million was paid to the parent company's shareholders.

Acquisitions

Solwers' growth strategy is based on the implementation of a systematic acquisition plan. In February 2021, Solwers acquired the entire share capital of Inmeco Building Consultants, which provides expert services related to construction. Inmeco's revenue for 2021 was just under EUR 1.8 (1.5) million and its average number of employees was 16 (13).

In May, Solwers acquired the entire share capital of LVI-insinööritoimisto Meskanen Oy. Meskanen's revenue for 2021 was just EUR 1.1 (1.0) million and its average number of employees was 10 (9). The acquisition supplements the Company's expertise in technical HVAC design. In November, Solwers acquired the entire share capital of Lukkaroinen Architects. In 2021, Lukkaroinen had an average of 73 (67) employees and its revenue amounted to EUR 6.5 (6.0) million.

Solwers also acquired two companies in Sweden. Falk Construction Management AB, which had an average of 16 (13) employees and revenue of EUR 3.5 (3.1) million in 2021, strengthens the Solwers companies' project management and structural engineering offering in the Stockholm region. At the end of December, Solwers acquired ELE Engineering AB, which had an average of 77 (76) employees and revenue of EUR 6.5 (6.3) million in 2021. ELE Engineering operates in Västerås, providing comprehensive electricity, power transmission and automation design services for industrial customers, thereby expanding the Solwers companies' service offering in the area of consulting related to energy production. Demand for expertise in this area is growing due to the need to strengthen local energy production.

Personnel, Board of Directors and management

The Solwers companies' average number of employees during the financial year was 397 (297), with the parent company having an average of 5 (4) employees. At the end of the period, the Solwers companies employed a total of 571 (371) people.

Board of Directors

The Annual General Meeting held on 22 April 2021 re-elected five members to the Board of Directors: Leif Sebbas (Chairman of the Board), Hanna-Maria Heikkinen, John Lindahl, Mari Pantsar and Emma Papakosta. The Annual General Meeting decided that the members of the Board will be paid a meeting fee of EUR 2,000 per meeting.

The Annual General Meeting elected the audit firm Revico Grant Thornton Oy to continue as the Company's auditor. Satu Peltonen, Authorized Public Accountant, will continue as the auditor with principal responsibility.

Management

Solwers Plc's CEO is Stefan Nyström. He also served as the Managing Director of another Solwers company, Finnmap Infra Oy, from 1 January to 3 June 2021. Roger Lindqvist is the Company's CFO, Taina Erkkilä is the Head of Communications (and acting HR Director during Nina Nikander's parental leave), and Olli Kuusi is the Company's General Counsel. The management teams in charge of operations in Finland and Sweden include the senior management of Solwers Plc as well as the Managing Directors of the subsidiaries.

Shares and shareholders

Changes in the number of shares

At the end of 2021, Solwers Plc's share capital consisted of 8,621,043 shares, of which 41,220 were held by the Company. The average number of shares during the year was 7,239,224.

In connection with the acquisition of ELE Engineering AB, the Company carried out a directed share issue of 178,761 shares to the selling parties. The shares were registered on 31 January 2022. The Company's share capital subsequently consists of 8,799,804 shares, of which 41,220 are held by the Company.

The Company has a single series of shares and its registered share capital was EUR 1,000,000.

Trading in the Company's shares

The closing price of the Company's share on 31 December 2021 was EUR 8.30. Solwers Plc's market capitalization at the end of the financial year was EUR 72.7 million.

Largest shareholders on 31 December 2021

On 31 December 2021, the Company had 2,266 shareholders. The Company's 10 largest shareholders on the last day of the financial year are shown in the table below:

	SHARES	SHAREHOLDING
FINNMAP ENGINEERING OY	3,622,661	42.0%
CEB INVEST OY	737,690	8.6%
VARMA MUTUAL PENSION INSURANCE COMPANY	381,922	4.4%
NYSTRÖM STEFAN	312,000	3.6%
AKTIA MIKRO MARKKA NON-UCITS FUND	281,481	3.3%
SEBBAS LEIF OLAV	266,540	3.1%
SÄÄSTÖPANKKI SMALL CAP FUND	261,481	3.0%
JOENSUUN KAUPPA JA KONE OY	133,940	1.6%
ELO MUTUAL PENSION INSURANCE COMPANY	130,000	1.5%
WIP NORDIC EQUITY	110,000	1.3%
<i>10 largest shareholders, total</i>	<i>6,237,715</i>	<i>72.4%</i>
Nominee-registered shares	578,548	6.7%
Other shareholders	1,804,780	20.9%
Shares, total	8,621,043	100.0%
Of which held by the Company	41,220	0.5%

The Annual General Meeting of 22 April 2021 and the currently valid authorizations of the Board of Directors

The Annual General Meeting held on 22 April 2021 adopted the financial statements for the period 1 January–31 December 2020 and discharged the members of the Board of Directors and the CEO from liability. The Annual General Meeting decided that a dividend totaling EUR 535,338.38, or EUR 2.06 per share (EUR 0.103 per share after the 1:20 share split carried out on 6 May 2021) would be paid for the financial year 2020. The Annual General Meeting decided that the remainder of the profit for 2020, EUR 580,963.43, would be transferred to the Company's retained earnings account.

Leif Sebbas (Chairman of the Board), Hanna-Maria Heikkinen, John Lindahl, Mari Pantsar and Emma Papakosta were re-elected to the Board of Directors.

The Annual General Meeting resolved to amend the Articles of Association to correspond to the requirements of Nasdaq First North Growth Market Finland. The Annual General Meeting authorized the Board of Directors to apply to have the Company's shares traded on the Nasdaq First Growth Market Finland marketplace and decide on a directed share issue without consideration (share split), in which each of the Company's shareholders would be issued new shares in the Company in proportion to their shareholdings, with 19 new shares issued for each share held. The share split was carried out on 6 May 2021.

The Annual General Meeting resolved to authorize the Board of Directors to decide on a share issue and the issuance of option rights and special rights entitling to shares, as referred to in Chapter 10, Section 1 of the Finnish Limited Liability Companies Act, in one or more tranches. A maximum total of 4,166,667 new shares or shares held by the Company can be issued on the basis of the authorization. The Board of Directors may use the authorization to carry out acquisitions or other restructuring measures related to the Company's business operations, the implementation of an incentive scheme for the personnel or for other purposes as decided by the Board of Directors. Under the authorization, the Board of Directors may also decide on a directed share issue, i.e., one that derogates from the shareholders' pre-emptive right in a share issue.

On 31 December 2021, the remaining number of new shares or shares held by the Company that can be issued under the authorization was 1,115,263. The authorization is valid until 30 April 2023. The Annual General Meeting also resolved to authorize the Board of Directors to decide on the repurchase and pledging of the Company's own shares.

Risks and uncertainties

The Company's prospectus, published on 4 June 2021 in connection with the IPO, provides a comprehensive overview of the risks and uncertainties associated with the Company's operations.

In the Company's view, the risks related to the Solwers companies' operating environment presented in the prospectus have changed due to the increasingly tense geopolitical situation, which increases uncertainty in the market and may influence investment activity in the Company's main markets.

Public and private sector investment volume affects employment and profitability in the entire design and engineering sector, including Solwers.

The availability and retention of highly competent professionals is an uncertainty factor related to personnel. The increased sickness-related absences caused by the COVID-19 pandemic are also a source of uncertainty.

Events after the financial year

On 30 December 2021, the Company announced it was acquiring the entire share capital of ELE Engineering AB. The parties agreed that part of the consideration would be paid in new shares in the Company, subscribed for by the selling parties in a directed share issue.

A total of 178,761 new shares were registered on 31 January 2021, bringing the total number of shares in the Company to 8,799,804.

Trading in the new shares began on Nasdaq First North Growth Market Finland, a multilateral trading facility maintained by Nasdaq Helsinki Oy, on 1 February 2022. An 18-month transfer restriction was entered in the seller's book-entry account.

The Board's proposal for the distribution of profit

At the end of the financial year 2021, Solwers Plc's distributable funds amounted to EUR 32,490,306.98, of which the loss for the financial year was EUR 883,403.88.

The Board of Directors proposes to the Annual General Meeting that the loss for the financial year be transferred to retained earnings and that a dividend of EUR 0.04 per share be paid, corresponding to EUR 350,343.36 in total, be paid from retained earnings.

Financial reporting

The financial statements and the report by the Board of Directors will be published on 29 March 2022. The Annual General Meeting is planned to be held on 21 April 2022.

The Company will publish its half-year report for the period 1 January–30 June 2022 on 15 September 2022. The financial statements, the report by the Board of Directors and the half-year report will be published as a company release and on the Company's website at [Reports and presentations — Solwers Plc](#).

Briefing

The Company will hold a briefing in English for investors, media and analysts on 15 March 2022 at 11:00 a.m. The webcast will be available at <https://solwers.videosync.fi/results-2021>. A recording of the webcast and the presentation materials will be subsequently available at www.solwers.fi.

Espoo, 15 March 2022

Solwers Plc

Board of Directors

For further information, please contact:

Solwers Plc, Taina Erkkilä, Head of Communications, tel. +358 400 153 099

Certified Adviser: UB Securities Oy, Ville Väisänen, CEO, tel. +358 405 886 769

Solwers in brief

Distribution:

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Key media

www.solwers.fi

Accounting policies

The financial statements release is unaudited and the figures presented herein have been prepared in accordance with the International Financial Reporting Standards (IFRS) and according to the same accounting policies as the 2020 financial statements published by the Company, which are available on the Company's investor pages at <https://www.solwers.fi/sijoittajat/raportit-ja-esitykset/>.

The figures presented in this financial statements release have been rounded up or down. The sum of individual figures may differ from the sum shown due to rounding up or down.

The company presents commonly used alternative performance measures to describe the financial performance of its businesses and improve comparability between reporting periods. Alternative performance measures provide significant additional information to the Company's management, investors and other parties.

The alternative performance measures used by the Company and their calculation principles are presented below under *Calculation formulas for key figures*.

Comparability of financial figures

As acquisitions are a key part of Solwers' business strategy, it is important to take the effect of acquisitions into account in measuring the Company's revenue, growth and profit performance. In any given year, acquisitions may account for a significant share of the year-on-year changes in the Company's size, result and profitability.

As the companies acquired during the financial year are consolidated from the date of their acquisition, the consolidated income statement does not include the income statement items of the companies acquired during the financial year for the period preceding their acquisition and, therefore, does not provide an accurate picture of the size of the financial entity constituted by the Company at the end of the reporting period.

Consolidated comprehensive income statement, IFRS (unaudited)

SOLWERS CONSOLIDATED				
EUR thousand	2021	2020	H2/2021	H2/2020
REVENUE	44 662	32 649	22 700	18 755
Other operating income	423	284	264	184
Materials and services	-6 302	-5 154	-3 657	-3 429
Employee benefit expenses	-27 138	-19 347	-13 385	-10 691
Amortization, depreciation and impairment	-2 124	-1 431	-1 129	-846
Other operating expenses	-6 150	-3 462	-3 440	-1 969
OPERATING PROFIT	3 371	3 539	1 353	2 004
Financial income and expenses	-1 266	-105	-238	13
PROFIT BEFORE TAX	2 105	3 434	1 115	2 017
Income tax	-433	-759	-471	-411
PROFIT FOR THE PERIOD	1 672	2 675	644	1 606
Profit for the period attributable to				
Parent company shareholders	1 437	1 735	521	1 079
Non-controlling interest	235	940	123	526
Earnings per share (EUR)				
Earnings per share, non-diluted	0,20	0,40	0,07	0,25
Earnings per share, diluted	0,20	0,40	0,07	0,25
Average number of shares during the period¹⁾				
Non-diluted	7 239 224	4 349 576	7 260 801	4 392 200
Diluted	7 239 224	4 349 576	7 260 801	4 392 200
¹⁾ Comparison period and year 2020 adjusted for share split executed during review period				
Other comprehensive income				
Items that may later be recognized through profit or loss				
Translation differences	80	21	-20	18
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1 752	2 696	624	1 624
Total comprehensive income for the period attributable to				
Parent company shareholders	1 516	1 748	502	1 088
Non-controlling interest	235	949	122	535

Consolidated balance sheet, IFRS (unaudited)

SOLWERS CONSOLIDATED				
EUR thousand	31.12.2021	31.12.2020	30.6.2021	30.6.2020
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	34 421	19 019	22 164	12 669
Tangible assets	5 850	2 791	2 704	1 458
Investments	1 898	1 568	1 574	1 634
Receivables	1 410	537	1 509	535
NON-CURRENT ASSETS, TOTAL	43 580	23 915	27 950	16 296
CURRENT ASSETS				
Inventories	163	262	150	957
Receivables	13 637	9 428	10 661	5 612
Investments	332	311	304	271
Cash and cash equivalents	12 642	6 101	17 130	5 667
CURRENT ASSETS, TOTAL	26 774	16 102	28 246	12 506
ASSETS, TOTAL	70 354	40 017	56 196	28 803
EQUITY AND LIABILITIES				
EQUITY				
Subscribed capital	1 000	1 000	1 000	1 000
Share issue	1 453	3 332	0	0
Share premium account	20	20	20	20
Other reserves	29 676	2 841	27 638	1 463
Retained earnings	-2 326	1 522	-1 165	1 656
Profit for the financial year	1 437	1 735	916	656
EQUITY, TOTAL	31 259	10 450	28 409	4 795
NON-CONTROLLING INTEREST	649	2 292	475	1 651
LIABILITIES				
Non-current liabilities	20 309	14 102	13 992	8 806
Current liabilities	18 136	13 172	13 320	13 552
LIABILITIES, TOTAL	38 445	27 275	27 312	22 357
EQUITY AND LIABILITIES, TOTAL	70 354	40 017	56 196	28 803

Consolidated cash flow statement, IFRS (unaudited)

SOLWERS CONSOLIDATED			
EUR thousand	2021	2020	H2/2021
Cash flow from operating activities			
Profit for the period	1 672	2 675	644
Adjustments			
Amortization, depreciation and impairment	2 124	1 431	1 129
Financial net	1 266	105	238
Income tax	597	759	634
Gain on sold intangible and tangible assets	-274	-26	-264
Losses on sold and scrapping of intangible and tangible assets	234	0	230
Cash flow before change of working capital	5 618	4 945	2 611
Change of working capital			
Change of inventories	98	294	-13
Change of current non-interest bearing receivables	1 470	-1 260	1 721
Change of current investments	-20	31	-30
Change of current non-interest bearing payables	-224	764	-671
Change of working capital, total	1 324	-171	1 007
Financial net and income tax paid			
Interest paid on loans and other interest bearing debts	-949	-244	-139
Interest paid on leasing debts	-106	-78	-48
Interest received	4	7	-5
Other financial items paid and received (net)	-20	9	151
Income tax paid	-1 187	-180	-649
Net cash flow from operating activities	4 685	4 288	2 927
Cash flow from investment activities			
Investment in intangible assets	-552	-131	-99
Investment in tangible assets	-259	-165	-259
Investment in non-current receivables (net)	-307	6	-301
Proceeds from sale of non-current assets	612	49	478
Business combinations	-10 004	-2 512	-9 850
Acquisition of non-controlling interest	-913	9	0
Net cash flow from investment activities	-11 424	-2 745	-10 032
Cash flow from financing activities			
Cash received from IPO issue (gross)	8 951	0	0
IPO expenses paid	-864	0	-125
Cash received from other share issues (gross)	3 601	659	0
Expenses paid for other share issues	-187	0	-45
Capital loans raised	0	2 000	0
Loans raised from financial institutions	15 038	2 230	5 031
Net change of other interest bearing debts	-51	0	-36
Repayment of capital loans	0	-600	0
Repayment of loans from financial institutions	-7 999	-1 399	-218
Repayment of leasing debts	-1 902	-1 050	-930
Repayment of non-interest bearing debts	-1 309	-980	-86
Dividends paid	-1 998	-636	-976
Net cash flow from financing activities	13 280	224	2 616
Change of cash and cash equivalents	6 541	1 766	-4 488
Cash and cash equivalents, opening balance	6 101	4 335	17 130
Cash and cash equivalents, closing balance	12 642	6 101	12 642

Consolidated statement of changes in equity, IFRS (unaudited)

SOLWERS CONSOLIDATED										
FINANCIAL YEAR 2021										
EUR thousand										
TOTAL EQUITY										
EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS										
	Share Capital	Share Issue	Share Premium Account	Other Restricted Reserves	Invested Non-restricted Equity Reserve	Transl. Diff's	Retained Earnings	TOTAL	Non-Controlling Interest	TOTAL EQUITY
Opening Balance 1.1.	1 000	3 332	20	22	2 818	19	3 239	10 450	2 292	12 742
Comprehensive income										
Profit for the period	-	-	-	-	-	-	1 437	1 437	235	1 672
Other comprehensive income										
Translation differences	-	-	-	-	-	79	-	79	1	80
Total comprehensive income, net of tax	0	0	0	0	0	79	1 437	1 516	235	1 752
Transactions with equity holders										
Business combinations	-	1 453	-	-	1 800	-	-	3 253	-	3 253
Acquisition of non-controlling interest 4.3.2021	-	-	-	-	1 766	-	-2 617	-851	-318	-1 169
Acquisition of non-controlling interest 4.5.2021	-	-	-	-	1 427	-	-1 391	35	-982	-947
Increase of non-controlling interest	-	-	-	-	-	-	-26	-26	26	0
Decrease of non-controlling interest	-	-	-	-	-	-	3	3	-3	0
Restatement of previous year	-	-	-	-	-	-	-45	-45	117	73
Share issue 21.12.2020-10.1.2021	-	-3 332	-	-	3 824	-	-	492	-	492
Discount (10%) to personnel; share issue 21.12.2020-10.1.2021	-	-	-	-	-36	-	-	-36	-	-36
Directed share issue to key personnel 4.5.2021	-	-	-	-	990	-	-	990	-	990
Directed share issue to anchor investors 10.5.2021	-	-	-	-	3 000	-	-	3 000	-	3 000
Directed share issue to capital loan creditors 10.5.2021	-	-	-	-	5 126	-	-	5 126	-	5 126
Initial Public Offering 7-14.6.2021	-	-	-	-	9 000	-	-	9 000	-	9 000
Discount (10%) to key personnel; Initial Public Offering 7-14.6.2021	-	-	-	-	-49	-	-	-49	-	-49
Share issue costs	-	-	-	-	-	-	-1 051	-1 051	-	-1 051
Dividend distribution	-	-	-	-	-	-	-535	-535	-718	-1 254
Transactions with equity holders, total	0	-1 879	0	0	26 849	0	-5 663	19 307	-1 878	17 429
Other changes	-	-	-	-14	-	-	-	-14	-	-14
Other changes, total	0	0	0	-14	0	0	0	-14	0	-14
Closing Balance 31.12.	1 000	1 453	20	9	29 667	98	-987	31 260	649	31 909

SOLWERS CONSOLIDATED										
FINANCIAL YEAR 2020										
EUR thousand										
TOTAL EQUITY										
EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS										
	Share Capital	Share Issue	Share Premium Account	Other Restricted Reserves	Invested Non-restricted Equity Reserve	Transl. Diff's	Retained Earnings	TOTAL	Non-Controlling Interest	TOTAL EQUITY
Opening Balance 1.1.	1 000	0	20	0	1 463	7	1 699	4 189	1 662	5 851
Comprehensive income										
Profit for the period	-	-	-	-	-	-	1 735	1 735	940	2 675
Other comprehensive income										
Business combinations	-	-	-	-	-	-	-	-	-26	-26
Translation differences	-	-	-	-	-	12	-	12	9	21
Total comprehensive income, net of tax	0	0	0	0	0	12	1 735	1 748	923	2 670
Transactions with equity holders										
Business combinations	-	-	-	22	1 355	-	-24	1 354	158	1 511
Increase of non-controlling interest	-	-	-	-	-	-	-11	-11	11	0
Decrease of non-controlling interest	-	-	-	-	-	-	10	10	-10	0
Share issue	-	3 332	-	-	-	-	-	3 332	-	3 332
Dividend distribution	-	-	-	-	-	-	-170	-170	-452	-622
Transactions with equity holders, total	0	3 332	0	22	1 355	0	-196	4 514	-293	4 221
Closing Balance 31.12.	1 000	3 332	20	22	2 818	19	3 239	10 450	2 292	12 742

TOTAL EQUITY										
EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS										
	Share Capital	Share Issue	Share Premium Account	Other Restricted Reserves	Invested Non-restricted Equity Reserve	Transl. Diff's	Retained Earnings	TOTAL	Non-Controlling Interest	TOTAL EQUITY
Opening Balance 1.7.	1 000	0	20	22	28 667	-1	-1 300	28 409	475	28 884
Comprehensive income										
Profit for the period	-	-	-	-	-	-	521	521	123	644
Other comprehensive income										
Translation differences	-	-	-	-	-	99	-	99	1	100
Total comprehensive income, net of tax	0	0	0	0	0	99	521	621	124	744
Transactions with equity holders										
Business combinations	-	1 453	-	-	1 000	-	-	2 453	-	2 453
Decrease of non-controlling interest	-	-	-	-	-	-	3	3	-3	0
Restatement of previous year	-	-	-	-	-	-	-211	-211	284	73
Dividend distribution	-	-	-	-	-	-	-	-	-231	-231
Transactions with equity holders, total	0	1 453	0	0	1 000	0	-209	2 244	51	2 295
Other changes										
Other changes, total	-	-	-	-14	-	-	-	-14	-	-14
Other changes, total	0	0	0	-14	0	0	0	-14	0	-14
Closing Balance 31.12.	1 000	1 453	20	9	29 667	98	-987	31 260	649	31 909

SOLWERS CONSOLIDATED

H2/2020

EUR thousand

TOTAL EQUITY										
EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS										
	Share Capital	Share Issue	Share Premium Account	Other Restricted Reserves	Invested Non-restricted Equity Reserve	Transl. Diff's	Retained Earnings	TOTAL	Non-Controlling Interest	TOTAL EQUITY
Opening Balance 1.7.	1 000	0	20	0	1 463	-5	2 317	4 795	1 651	6 446
Comprehensive income										
Profit for the period	-	-	-	-	-	-	1 079	1 079	526	1 606
Other comprehensive income										
Business combinations	-	-	-	-	-	-	-	-	-26	-26
Translation differences	-	-	-	-	-	9	-	9	9	18
Total comprehensive income, net of tax	0	0	0	0	0	9	1 079	1 088	510	1 598
Transactions with equity holders										
Business combinations	-	-	-	22	1 355	-	-24	1 354	158	1 511
Decrease of non-controlling interest	-	-	-	-	-	-	37	37	-2	34
Dividend distribution	-	3 332	-	-	-	-	-170	3 162	-9	3 153
Translation differences	-	-	-	-	-	15	-	15	-15	-
Transactions with equity holders, total	0	3 332	0	22	1 355	15	-157	4 567	131	4 698
Closing Balance 31.12.	1 000	3 332	20	22	2 818	19	3 239	10 450	2 292	12 742

Calculation formulas for key figures

Revenue per person Growth	Revenue/average total number of employees Revenue growth for the most recently concluded reporting period compared to revenue for the corresponding period in the previous year
Invoicing rate	Sum of the Solwers companies' sales margins / (company1 sales margin/company1 invoicing rate) + (company2 sales margin/company2 invoicing rate) + ... + (company sales margin/company invoicing rate) where n = the number of Solwers companies for which the invoicing rate is an applicable performance indicator
EBITDA	EBITDA = EBIT + depreciation, amortization and impairment of tangible and intangible assets
EBITDA %	EBITDA % = (EBIT + depreciation, amortization and impairment of tangible and intangible assets) / revenue x 100
EBITA	Adjusted EBIT excluding depreciation, amortization and impairment of intangible assets and leased premises = EBIT + amortization of intangible assets and leased premises + impairment
EBITA %	Adjusted EBIT % = (Operating profit + amortization of intangible assets and leased premises depreciation of intangible assets + impairment) / revenue x 100
EBIT	Operating profit
EBIT %	EBIT / revenue x 100
Net profit	Profit/loss for the financial period
Net profit %	(Profit/loss for the financial period) / revenue x 100
EPS	Earnings per share = Share of the net profit for the period attributable to the owners of the parent company / average number of outstanding shares during the period
Adjusted equity	Equity + non-controlling interest + capital loans

Net debt	Interest-bearing liabilities + lease liabilities + other liabilities comparable to interest-bearing liabilities - cash and cash equivalents
Equity ratio	(Equity + non-controlling interest) / balance sheet total
Adjusted equity ratio	(Equity + non-controlling interest + capital loans) / balance sheet total