



# Half-year financial report January – June 2023

**SOLWERS**

## Good performance in a challenging environment in H1 2023

### January - June 2023 in brief

The figures for the first half of the year (1 January–30 June 2023) are unaudited.

The figures in brackets refer to the corresponding period in the preceding year and are of the same unit, unless otherwise noted.

- Revenue was EUR 33,194 (32,562) thousand, growth of 1.9 % vs previous year.
- EBITA was EUR 3,536 (3,801) thousand, 10.7 (11.7) % of the revenue.
- EBIT was EUR 2,483 (2,808) thousand, 7.5 (8.6) % of the revenue.
- The company continued the implementation of its growth strategy by acquiring Transport Consultancy Group Nordic in Sweden.
- The Annual General Meeting decided to distribute dividends of EUR 0.073 (0.040) per share for the financial year 2022.
- The company's operating cash flow of EUR +708 (+1,846) thousand declined mainly due to changes in net working capital. Group financial position continued to be good.
- The number of employees at the end of the reporting period was 611 (601).

## Key figures

<b>Solwers Plc consolidated</b>			
<b>EUR thousand</b>	<b>H1/2023</b>	<b>H1/2022</b>	<b>2022</b>
Revenue	33 194	32 562	62 796
EBITDA	4 008	4 245	8 156
EBITDA-%	12,1 %	13,0 %	13,0 %
EBITA	3 536	3 801	7 218
EBITA-%	10,7 %	11,7 %	11,5 %
EBIT	2 483	2 808	5 091
EBIT-%	7,5 %	8,6 %	8,1 %
Net Profit	1 476	1 919	3 574
Net Profit-%	4,4 %	5,9 %	5,7 %
Earnings per Share (EPS) non-diluted, EUR	0,15	0,21	0,38
Earnings per Share (EPS) diluted, EUR	0,15	0,21	0,38
Revenue per employee	55	56	105
Revenue growth, %	1,9 %	48,3 %	40,6 %
Billing rate, %	81,7 %	81,8 %	80,0 %
Adjusted equity	37 903	32 895	38 158
Net debt	17 261	17 184	13 366
Equity Ratio, %	46,0 %	43,9 %	46,7 %
Adjusted Equity Ratio, %	46,0 %	43,9 %	46,7 %
Total Assets	82 347	74 949	81 682
Headcount, average during period	601	586	600
Headcount, at end of period	611	601	582



## CEO's review

Overall market uncertainty continued, yet we delivered a solid result in the first half of the year. Our revenue grew by 1.9% to 33.2 million euro. Our profitability declined slightly compared to the same period last year due to increased salary costs, cost inflation and increased competition. Organic growth in Finland was good, yet the reported revenue is affected by the weak Swedish Krona. Our order stock has remained stable, and our billing rate is at the level of last year.

Of the new projects, particularly interesting ones include Lukkaroinen Architects winning the design competition for the old Vaasa hospital. After further planning, Lukkaroinen's proposal "Huomassa" was chosen as the most feasible for the implementation of the hospital. LVI-Insinööritoimisto Meskanen Oy, another Solwers company, also had a role in the competition proposal. Two other Solwers companies, Insinööritoimisto W. Zenner and Finnmap Infra Oy, are to participate in the implementation planning.

Another major project is the new area planned in Keilaniemi, which is to have offices, a hotel, a congress centre and apartments. The infill site is planned as a block formed by three separate sections, including a wooden office building, a hotel tower and a lower part serving both buildings. Architects Davidsson Tarkela have designed a tall hotel tower in the centre of the block, which, when completed, will form part of the future skyline of Keilaniemi.

Of the projects by the Swedish companies', Licab helped the mining company Kaunis Iron AB to build a quality and environmental management system to be certified according to the international ISO 9001 and ISO 14001 standards in March 2023. Another interesting new project is the one for Establish-Schening that is responsible for the design and operation of a new warehouse for the Royal Swedish Opera, Dramaten and Folkteatern. In addition, Falk CM was awarded a project at Vallentuna, where it will be responsible for project and construction management in the development of JYSK's new premises. The premises will include around 1,500 square meters of shop, storage and staff space, as well as around 200 square meters of outdoor space for the presentation of its products.

We also had the pleasure of welcoming a new company to the group. In February we acquired the entire share capital of Transport Consultancy Group Nordic in Sweden. The company's end-customers are mainly Swedish state and regional rail transport companies and leading international train manufacturers, and its consultancy services focus mostly on project, documentation, and quality management, as well as asset management and delivery assurance. An example of their projects is the Mälardalstrafiken project for the procurement of new trains, where the company is the project leader.

New acquisitions in our home markets in Finland and Sweden will enable us to strategically strengthen the service offering and regional position of our subsidiaries. Small acquisitions of subsidiaries are also possible to strengthen capacity and expertise.

Looking ahead, the general uncertainty in the market has affected customers' willingness to invest. A positive message for our business, however, is that the new government in Finland promises to invest significantly in infrastructure projects. In line with our growth strategy, we will complement the Group's service offering with an estimated number of acquisitions before the end of the year.

The expansion of our service portfolio, together with the business and geographical spread of our companies, balances and reduces the risk of labor shortages, but if the market situation changes suddenly, we are ready to adjust capacity if necessary. We have a large client base across two countries. In addition to large projects, we carry out thousands of small projects every year, with services ranging from design services to project management, financial management and other professional services.

## Market outlook

The changes in society create new opportunities along with challenges.

The transition to fossil-free energy and industrial production will bring significant new investments. A variety of new energy sources, energy storage, power transmission systems and automation solutions will increase the demand for engineering and project management services. Circular economy projects, which will continue to grow rapidly, will also lead to more customer engagements, as the reuse of buildings requires more engineering and project management than new construction. A good example of expertise in circular economy is our winning project in a competition organized by the City of Espoo to find concepts for reusing building materials and parts in the Kera area. Solwers' multidisciplinary team won the competition in early 2023 with the design "To the Next Level". The winning proposal offers a concept that aims to take the circular economy in construction to the next level from a Finnish perspective. The winning concept enables the reuse of existing warehouses for residential and educational purposes.

Residential and office construction has decreased significantly during the first half of 2023 and the trend is expected to continue. This change is the result of high inflation, higher interest rates and construction costs, which result in the weakening of purchasing power and willingness to invest. This will naturally also affect the engineering and design sector. Only a small share of Group revenue is from residential and office building planning, however, the demanding situation in the sector will increase competition in other planning sectors.

## Solwers outlook

The relatively good order backlog of the year supports the positive development of revenue. The M&A market has remained active, and acquisitions are planned to continue further. Weak Swedish krona will have a negative impact on reported revenue.

The diverse service portfolio, operations in the two countries, as well as the large number of small projects balance and support the achievement of the set mid-term targets. Demand for engineering and project management work related to energy production, energy efficiency and circular economy projects is also expected to grow. Revenue is expected to grow and profitability to remain at a good level.

## Strategy and financial 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 support local expertise and capacity. The new subsidiaries strengthen their own and other Solwers companies' clientele and service portfolio.

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 different cultures in subsidiaries, which increases job satisfaction while promoting innovation and creativity. Solwers also want to give employees the opportunity to learn and develop their skills together with fellow professionals in workplace communities of a manageable size.

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. The expansion of the service portfolio together with the diversification of the business and the geographical scope of operations through the Solwers companies provides balance and supports the achievement of the set targets.

The company maintains its mid-term financial targets as follows:

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

## Financial position

### Assets and equity

The company's total assets amounted to EUR 82,347 (74,949) thousand at the end of the period, of which cash and cash equivalents was EUR 13,981 (12,553) thousand.

Adjusted equity at the end of the period amounted to EUR 37,903 (32,895) thousand.

### Net debt and equity ratio

The company's net debt at the end of the reporting period amounted to EUR 17,261 (17,184) thousand, same level as at the end of previous year first half.

Equity ratio at the end of the reporting was 46.0 (43.9) %, which is 11.0 %-points above the minimum level of 35% included in the financing agreement with the company's main financing bank.

## Cash flow and financing

The company's operative cash flow during the reporting period was positive EUR 708 (1,846) thousand. The project-based nature of the business and the cyclical invoicing pattern due to this has tied relatively more assets as receivables.

The liquidity remained on a good level during the whole reporting period. Cash and cash equivalents amounted to EUR 13,981 (12,553) thousand at the end of the reporting period. Cash and cash equivalents have decreased from fiscal year end 2022 by EUR 4,501 thousand mainly due to investments, dividend payment and loan and other liability installments.

Net cash used for investments during the reporting period amounted to EUR 1,863 (2,009) thousand, of which the majority of EUR 1,902 (1,815) thousand was used for business acquisitions.

Company did not raise new bank loans during the reporting period. Bank loan instalments amounted to EUR 653 (949) thousand. In addition, business acquisition debts of EUR 677 (2,186) thousand and leasing debts of EUR 1,270 (1,166) thousand were paid off during the reporting period.

Net financial costs EUR -506 (-202) thousand increased due to a general rise in interest rates. Net financing cash flow EUR -350 (-324) thousand remained on a moderate level. However, the hike in the general interest level will affect the company's cost of financing in the second half of the year.

## Acquisitions

Solwers signed in February an agreement to acquire the entire capital stock in Transport Consultancy Group Nordic AB in Sweden. Transport Consultancy Group Nordic AB was founded in 2016, is based in Stockholm and employs 17 people. The company's consulting services are primarily focused on project and documentation management, quality management, asset management and supply assurance.

The company's end customers consist primarily of Swedish state and regional public organizations engaged in rail transport as well as leading international train suppliers. The company's turnover 07/2021–06/2022 amounted to SEK 30 million.

## Personnel

The Solwers companies employed on average a total of 601 (586) during the period whereas the total headcount number at the of the period was 611 (601).

## Annual General Meeting

The Annual General Meeting of Solwers Plc held on 21 April 2023 confirmed the financial statements, and the members of the Board of Directors and the CEO were discharged from liability for the financial year 1.1.-31.12.2022. The Annual General Meeting decided a dividend of EUR 0.073 (0.040) per share to be distributed for the financial year 2022.

The Annual General Meeting re-elected Hanna-Maria Heikkinen, John Lindahl, Mari Pantsar, Emma Papakosta and Leif Sebbas to continue as Board members and in its organizing meeting the Board

of Directors elected Leif Sebbas as the Chairman of the Board. The Annual General Meeting decided that the remuneration of the members of the Board of Directors remains unchanged and that each member (including the Chairman of the Board) will be paid a meeting compensation of EUR 2,000 per meeting.

The Annual General Meeting decided to authorise the Board of Directors to decide on the repurchase or acceptance as pledge of the Company's own shares in one or more tranches so that a maximum of 991,506 shares, representing ten per cent of all issued and outstanding shares of the Company on the day of the AGM notice, can be repurchased or accepted as pledge under the authorisation.

The decision to repurchase own shares or to accept them as pledge may not be made so that the treasury shares in the possession of, or held as pledges by, the Company and its subsidiaries would exceed one tenth of all shares. Based on the authorisation, the Board of Directors may decide on the re-purchase or acceptance as pledge of own shares in a directed manner, i.e. in a proportion other than that of the shares held by the shareholders if there is a weighty financial reason for the Company to do so. The Board of Directors may use the authorisation to implement mergers and acquisitions or other arrangements relating to the Company's operations, to implement personnel incentive schemes or for other purposes decided by the Board of Directors. The authorisation is in force until the next Annual General Meeting, but not beyond 30 June 2024.

The Annual General Meeting authorised the Board to decide on a share issue and the granting of option rights and other special rights entitling to shares referred to in chapter 10, section 1 of the Limited Liability Companies Act so that a maximum of 991,506 new shares or treasury shares, representing ten per cent of all issued and outstanding shares of the Company on the day of the AGM notice. The Company's strategy to grow through acquisitions has specially been considered when determining the size of the proposed authorization.

Based on the authorisation, the Board of Directors may also decide on a directed issue, i.e. an issue deviating from the pre-emptive subscription rights of the shareholders. The Board of Directors was authorised to decide on the terms of the issuance of shares and option rights and other special rights.

The Board of Directors may use the authorisation to implement mergers and acquisitions or other arrangements relating to the Company's operations and capital structure, to implement incentive schemes for the Group personnel or for other purposes decided by the Board of Directors.

In a share issue, the Board of Directors may decide that the subscription price may be set off against a receivable from the Company, or that special rights are issued with a condition that a receivable from the Company is used to set off the subscription price of the share.

The authorization is in force until the next Annual General Meeting, but not beyond 30 June 2024. The authorisation revokes prior authorisations of the Board of Directors to decide on the issuance of shares or special rights entitling to shares.



## Shares and shareholders

On 21 February 2023, Solwers signed an agreement to acquire the entire capital stock in Transport Consultancy Group Nordic AB which is specialized in technical consultancy in rail industry. Part of the purchase price was settled by a directed share issue, and on 27 March, 40,285 new shares were registered, which raised the total number of company's shares to 9,915,067.

On June 30, 2023, a total of 2,104 shareholders, excluding nominee registered shareholders, were registered in the shareholders' register maintained by Euroclear Finland Oy. The 10 largest shareholders on the shareholders' register at the end of the financial year are listed in the table below:

Name	Shares	Shareholding
FME Consulting Oy	3,405,761	34.3 %
CEB Invest Oy	1,042,323	10.5 %
Keskinäinen Työeläkevakuutusyhtiö Varma	427,653	4.3 %
Sijoitusrahasto Säästöpankki Pienyhtiöt	375,117	3.8 %
Erikoissijoitusrahasto Aktia Mikro Markka	310,281	3.1 %
Sebbas Leif	286,340	2.9 %
Keskinäinen Työeläkevakuutusyhtiö Elo	280,000	2.8 %
Nyström Stefan	247,000	2.5 %
Fondita European Micro Cap Investment Fund	127,526	1.3 %
Sijoitusrahasto EQ Eurooppa Pienyhtiöt	110,000	1.1 %
10 largest shareholders combined total	6,612,001	66.7 %
Nominee registered shares	1 361 527	13.7 %
Other shareholders	1,941,539	19.6 %
Total	9,915,067	100 %

## Risks and uncertainties

The company's prospectus, published on 4 June 2021 in connection with the IPO ([www.solwers.com](http://www.solwers.com)), provides an extensive overview of the risks and uncertainties associated with the company's operations due to the nature of its operations and its line of business. 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 and the war in Ukraine, which increases uncertainty in the market and may influence investment activity in the company's main markets. The unstable geopolitical situation in Europe entails strategic and economic risks related to the uncertainty of the financial markets, the rise in interest rates or other factors that affect the availability and price of funding.

The implementation of Solwers' growth strategy requires external funding. A deterioration in the financial situation, a reduced willingness of customers to invest and the postponement and

cancellation of infrastructure investments could weaken the demand for Solwers' services and affect its operating result, particularly in the construction sector. Unfavorable development in the economic situation of the public sector, both in central government and in municipalities, may adversely affect construction in the public sector and reduce infrastructure investments.

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

The general economic situation, including rising inflation and interest rates, may also affect Solwers' business in the short term if projects are postponed, suspended or delayed due to cyclical fluctuations. The materialization of the forementioned risks may have an adverse effect on Solwers' business, financial position, business performance and outlook.

Solwers' operating results depend on customer demand and the price level. Weaker demand for services may lead to a decrease in revenue, and the company may not be able to adjust its costs in response to the weakened demand. In addition, Solwers may not be able to make the necessary staff reductions in a downturn, which may have a negative impact on the profitability of operations.

Economic uncertainty has decreased the economic activity of companies and the public sector as well as confidence in the economy, which has also affected the customers of Solwers companies

The availability and retention of highly competent professionals is an uncertainty factor related to personnel. The personnel risks of Solwers companies are related to employee retention, the well-being of employees and the availability of suitable professional experts. The business of the companies is based on experts, and skilled personnel are the basis for growth.

Solwers' operating environment includes risks related to business operations, strategy, company personnel and management. In addition, there are legal risks, risks related to the IT systems and intellectual property rights and risks related to financing and the financial position as well as shares.

The operational risks facing Solwers companies include project work risks and information security risks. There are also risks in the growth strategy based on acquisitions if there are no suitable companies to acquire or if the terms or liabilities of the transactions cannot be agreed at the right level of valuation.

## **Events after the review period**

### Changes in management team

Jasmine Jussila has been appointed Head of Group Communications for Solwers Group as of 7 September 2023 as Taina Erkkilä left the company for new challenges outside the group in the beginning of August.

Espoo, August 31<sup>st</sup> , 2023

## **Solwers Plc**

Board of Directors

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Key media

[www.solwers.fi](http://www.solwers.fi)

### **Solwers in brief**

Solwers started operations in 2017, and today it is a fast-growing group of companies with 24 operative subsidiaries operating under their own names and more than 600 experts offering various design services for more sustainable living environments. The group companies offer architectural a design, technical consulting, electrical, automation and transmission engineering, project management, environmental monitoring and circular economy, financial management services and digital solutions in Finland and Sweden.

### **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 2022 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 half-year financial report 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)

<b>Solwers Plc consolidated</b>			
<b>EUR thousand</b>	<b>H1/2023</b>	<b>H1/2022</b>	<b>2022</b>
<b>REVENUE</b>	<b>33 194</b>	<b>32 562</b>	<b>62 796</b>
Other operating income	90	75	230
Materials and services	-3 835	-6 460	-8 342
Employee benefit expenses	-21 260	-17 886	-38 762
Amortization, depreciation and impairment	-1 525	-1 437	-3 065
Other operating expenses	-4 181	-4 046	-7 766
<b>OPERATING PROFIT</b>	<b>2 483</b>	<b>2 808</b>	<b>5 091</b>
Financial income and expenses	-506	-202	-495
<b>PROFIT BEFORE TAXES</b>	<b>1 977</b>	<b>2 606</b>	<b>4 597</b>
Income taxes	-501	-688	-1 022
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>1 476</b>	<b>1 919</b>	<b>3 574</b>
<b>Profit for the financial year attributable to</b>			
<i>Parent company shareholders</i>	1 453	1 818	3 396
<i>Non-controlling interest</i>	27	101	178
<b>Earnings per share (EUR)</b>			
<i>Earnings per share, non-diluted</i>	0,15	0,21	0,38
<i>Earnings per share, diluted</i>	0,15	0,21	0,38
<b>Average number of shares during the financial year</b>			
<i>Non-diluted</i>	9 903 493	8 771 949	8 843 228
<i>Diluted</i>	9 903 493	8 771 949	8 843 228
<b>Other comprehensive income</b>			
Prior year adjustments			
Items recognized in retained earnings	0	-177	0
Items related to net investments in foreign subsidiaries			
FX rate differences	-1 226	-846	-1 553
Deferred taxes	245	148	288
Items that may later be recognized through profit or loss			
Translation differences	-121	-7	0
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>	<b>373</b>	<b>1 037</b>	<b>2 309</b>
<b>Total comprehensive income for the financial year attributable to</b>			
<i>Parent company shareholders</i>	347	936	2 131
<i>Non-controlling interest</i>	26	101	178

## Consolidated balance sheet, IFRS (unaudited)

Solwers Plc consolidated			
EUR thousand	30.6.2023	30.6.2022	31.12.2022
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	40 875	36 507	39 122
Tangible assets	6 068	5 872	5 651
Investments	1 888	1 908	1 888
Receivables	1 355	1 396	1 451
<b>NON-CURRENT ASSETS, TOTAL</b>	<b>50 186</b>	<b>45 682</b>	<b>48 112</b>
<b>CURRENT ASSETS</b>			
Inventories	193	164	168
Receivables	16 629	16 220	14 586
Investments	1 359	331	334
Cash and cash equivalents	13 981	12 553	18 482
<b>CURRENT ASSETS, TOTAL</b>	<b>32 161</b>	<b>29 268</b>	<b>33 570</b>
<b>ASSETS, TOTAL</b>	<b>82 347</b>	<b>74 949</b>	<b>81 682</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Subscribed capital	1 000	1 000	1 000
Share premium account	20	20	20
Other reserves	36 290	31 509	35 903
Retained earnings	-1 340	-2 041	-2 816
Profit for the financial year	1 453	1 818	3 396
<b>EQUITY, TOTAL</b>	<b>37 423</b>	<b>32 306</b>	<b>37 504</b>
<b>NON-CONTROLLING INTEREST</b>	<b>480</b>	<b>589</b>	<b>654</b>
<b>LIABILITIES</b>			
Non-current liabilities	27 288	25 142	28 004
Current liabilities	17 155	16 912	15 521
<b>LIABILITIES, TOTAL</b>	<b>44 443</b>	<b>42 054</b>	<b>43 524</b>
<b>EQUITY AND LIABILITIES, TOTAL</b>	<b>82 347</b>	<b>74 949</b>	<b>81 682</b>

## Consolidated cash flow statement, IFRS (unaudited)

Solwers Plc consolidated			
EUR thousand	H1/2023	H1/2022	2022
<b>Cash flow from operating activities</b>			
Profit for the financial year	1 476	1 919	3 574
Adjustments			
Gain from sale of intangible and tangible assets	0	-16	-40
Sales losses and scrapping of intangible and tangible assets	0	16	146
Amortization, depreciation and impairment	1 386	1 437	3 065
Financial net	506	202	495
Income tax	501	688	1 022
Other adjustments	0	0	0
Cash flow before change of working capital	4 008	4 246	8 262
Change of working capital			
Change of inventories	-25	-1	-5
Change of current non-interest bearing receivables	-907	-1 328	524
Change of current investments	-1 025	1	-2
Change of current non-interest bearing payables	-47	55	-1 473
Change of working capital, total	-2 003	-1 273	-956
Financial payments and income tax paid			
Interest received	0	9	22
Interest paid on loans from financial institutions and other lenders	-415	-151	-345
Interest paid on leasing debt	-69	-60	-117
Other financial items paid and received (net)	134	-122	460
Income tax paid	-947	-803	-1 522
Financial and income tax payments, total	-1 297	-1 127	-1 502
<b>Net cash flow from operating activities</b>	<b>707</b>	<b>1 846</b>	<b>5 805</b>
<b>Cash flow from investment activities</b>			
Investment in intangible non-current assets	0	-199	-631
Investment in tangible non-current assets	-56	-17	-581
Investment in non-current investments (net)	0	-9	0
Investment in non-current receivables (net)	96	15	-31
Proceeds from sale of intangible and tangible non-current assets	0	16	40
Business combinations	-1 902	-1 815	-1 817
Change of non-controlling interest	0	0	0
<b>Net cash flow from investment activities</b>	<b>-1 863</b>	<b>-2 009</b>	<b>-3 019</b>
<b>Cash flow from financing activities</b>			
Cash received from the IPO (gross)	0	0	0
IPO costs paid	0	0	0
Cash received from other share issues	0	0	4 488
Costs paid for other share issues	0	0	-235
Dividends paid	-724	-553	-529
Loans raised from financial institutions	0	5 036	5 036
Repayment of loans from financial institutions	-653	-949	-1 515
Change in other interest-bearing liabilities (net)	0	-109	456
Repayment of non-interest bearing debt	-682	-2 186	-2 117
Repayment of leasing debt	-1 287	-1 166	-2 530
<b>Net cash flow from financing activities</b>	<b>-3 346</b>	<b>73</b>	<b>3 053</b>
<b>Change of cash and cash equivalents</b>	<b>-4 501</b>	<b>-90</b>	<b>5 839</b>
Cash and cash equivalents, opening balance	18 482	12 642	12 642
<b>Cash and cash equivalents, closing balance</b>	<b>13 981</b>	<b>12 552</b>	<b>18 481</b>

## Consolidated statement of changes in equity, IFRS (unaudited)

SOLWERS CONSOLIDATED										
EUR thousand										
H1/2023										
TOTAL EQUITY										
EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS										
	Subscribed Capital	Share Issue	Share Premium Account	Other Restricted Reserves	Invested Non-restricted Equity Reserve	Translation Differences	Retained Earnings	TOTAL	Non-Controlling Interest	TOTAL EQUITY
Opening Balance 1 Jan 2023	1 000	0	20	120	35 989	38	336	37 503	654	38 157
<b>Comprehensive income</b>										
Profit for the period	0	0	0	0	0	0	1 453	1 453	27	1 479
Other comprehensive income										
Prior year adjustment	0	0	0	0	0	0	0	0	0	0
FX differences from net investments in foreign subsidiaries	0	0	0	0	0	0	-1 226	-1 226	0	-1 226
Deferred taxes	0	0	0	0	0	0	245	245	0	245
<b>Total comprehensive income, net of tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-981</b>	<b>-981</b>	<b>27</b>	<b>-954</b>
<b>Transactions with equity holders</b>										
Business combinations	0	0	0	0	394	0	0	394	-114	279
Dividend distribution	0	0	0	0	0	0	-724	-724	-65	-789
Prior year adjustment	0	0	0	0	0	0	0	0	0	0
<b>Transactions with equity holders, total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>394</b>	<b>0</b>	<b>-724</b>	<b>-329</b>	<b>-179</b>	<b>-509</b>
<b>Other changes</b>										
Transfer to development fund	0	0	0	0	0	0	0	0	0	0
Change of translation difference	0	0	0	0	0	-121	0	-121	-21	-142
Other changes	0	0	0	-100	0	0	0	-100	0	-100
<b>Other changes, total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-100</b>	<b>0</b>	<b>-121</b>	<b>0</b>	<b>-221</b>	<b>-21</b>	<b>-242</b>
Closing Balance 30 June 2023	1 000	0	20	21	36 383	-83	84	37 423	480	37 903

SOLWERS CONSOLIDATED										
EUR thousand										
H1/2022										
TOTAL EQUITY										
EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS										
	Subscribed Capital	Share Issue	Share Premium Account	Other Restricted Reserves	Invested Non-restricted Equity Reserve	Translation Differences	Retained Earnings	TOTAL	Non-Controlling Interest	TOTAL EQUITY
Opening Balance	1 000	1 453	20	8	29 667	98	-987	31 260	650	31 909
<b>Comprehensive income</b>										
Profit for the period	-	-	-	-	-	-	1 818	1 818	101	1 919
Other comprehensive income										
Prior year adjustment	-	-	-	-	-	-	-177	-177	-	-177
FX differences from net investments in foreign subsidiaries	-	-	-	-	-	-	-846	-846	-	-846
Deferred taxes	-	-	-	-	-	-	148	148	-	148
Translation differences	-	-	-	-	-	-7	-	-7	-	-7
<b>Total comprehensive income, net of tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-7</b>	<b>943</b>	<b>937</b>	<b>101</b>	<b>1 037</b>
<b>Transactions with equity holders</b>										
Business combinations	-	-1 453	-	-	1 834	-	-	381	-	381
Dividend distribution	-	-	-	-	-	-	-350	-350	-50	-400
Prior year adjustment	-	-	0	0	0	0	78	78	-110	-32
<b>Transactions with equity holders, total</b>	<b>0</b>	<b>-1 453</b>	<b>0</b>	<b>0</b>	<b>1 834</b>	<b>0</b>	<b>-272</b>	<b>109</b>	<b>-160</b>	<b>-51</b>
Closing Balance	1 000	0	20	8	31 501	92	-316	32 305	590	32 895



## Calculation formulas for key figures

Revenue per person	Revenue / average total number of employees
Growth	Revenue growth for the most recently concluded reporting period compared to revenue for the corresponding period in the previous year
Invoicing rate	<p>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)</p> <p>where n = the number of Solwers companies for which the invoicing rate is an applicable performance indicator</p>
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

