

The background of the cover is a photograph of a modern transit station at night. The station is illuminated by overhead lights, and digital displays are visible in the distance. A large, stylized green wireframe graphic, resembling a stylized 'S' or a series of parallel lines, is overlaid on the right side of the image. The overall color palette is dominated by blues and greens.

# SOLWERS

Solwers Plc

Financial Statements Release

1.1.–31.12.2023

The figures for the financial year (1 January–31 December 2023) are unaudited (IFRS)

## Continued growth and profitability at a good level

### July–December 2023 in brief

The figures in brackets refer to the corresponding period in 2022 and are expressed in the same unit, except where otherwise noted.

- Revenue was EUR 32.8 (30.2) million, which is an increase of +8.5% vs on the corresponding period last year
- EBITA was EUR 3.5 (3.4) million, which is 10.7% (11.3) of revenue
- EBIT was EUR 2.4 (2.3) million which is 7.2% (7.6) of revenue
- The invoicing rate was 81.3% (79.5)
- Earnings per share (EPS) was EUR 0.18 (0.17)

### January–December 2023 in brief

- Revenue amounted to EUR 66,0 (62,8) million, showing a year-on-year increase of EUR 3.2 million, which is +5.1% (40.6)
- EBITA was EUR 7.0 (7.2) million, which is 10.7% (11.5) of revenue
- EBIT was EUR 4.8 (5.1) million, which is 7.3% (8.1) of revenue
- The invoicing rate was 81.5% (80.0)
- Equity ratio was 46.4% (46.7)
- Equity ratio was above the mid-term target, revenue growth and profitability below the mid-term targets
- The execution of the growth strategy continued with four acquisitions: two in Finland and two in Sweden.
- Earnings per share (EPS) is EUR 0.32 (0.38)
- The Board of Directors proposes to the Annual General Meeting a dividend distribution of EUR 0,064 per share to be paid, corresponding to EUR 640,281.92 in total.

*The deviation in the reconciliation calculation of the change in equity announced on 27 February 2024 has been identified and allocated in significant parts. The remaining unallocated portion of the equity reconciliation is EUR 242 thousand, which is considered non-material by the company. Also, it will not impact the Auditor's statement.*

## Key figures

<b>Solwers Consolidated</b> EUR thousand	<b>2023</b>	<b>2022</b>	<b>H2/2023</b>	<b>H2/2022</b>
Revenue	65 991	62 796	32 797	30 234
EBITDA	7 952	8 156	3 944	3 911
EBITDA-%	12,0%	13,0%	12,0%	12,9%
EBITA	7 039	7 218	3 503	3 417
EBITA-%	10,7%	11,5%	10,7 %	11,3 %
EBIT	4 845	5 091	2 362	2 283
EBIT-%	7,3%	8,1%	7,2%	7,6%
Net Profit	3 208	3 574	1 732	1 656
Net Profit-%	4,9%	5,7%	5,3%	5,5%
Earnings per Share (EPS), EUR	0,32	0,38	0,17	0,18
Revenue per person	108	105	53	50
Revenue growth	5,1 %	40,6 %	8,5 %	33,2 %
Invoicing rate	81,5 %	80,0 %	81,3 %	79,5 %
Adjusted Equity	40 409	38 158	40 409	38 158
Net debt	17 436	13 366	17 436	13 366
Equity Ratio, %	46,4%	46,7%	46,4%	46,7%
Adjusted Equity Ratio, %	46,4%	46,7%	46,4%	46,7%
Total Assets	87 046	81 682	87 046	81 682
Headcount, average	611	600	624	607
Headcount, at year end	635	582	635	582

## CEO Stefan Nyström's review

Throughout the years, Solwers has shown consistent performance and strong growth. In just three years, we have doubled the revenue and profitability is close to the mid-term target. In 2023, despite a challenging market environment, our performance was again good. Our EBIT improved in the second half of 2023 where we also made several acquisitions to support the existing subsidiaries.

In 2023 Solwers' revenue was on a good level and grew by 5.1 per cent to EUR 66.0 million, of which around 50 per cent was organic growth. Profitability and order stock were also at a good level, although the revenue was negatively impacted by the weak Swedish krona. Equity ratio remained above the mid-term target while growth and profitability were behind the mid-term target.



Solwers' concept of light integration of subsidiaries retains the unique subcultures, offering space for creativity and innovation. The concept enables the agility of a small company while being part of a bigger group of diverse competences. In 2023 we conducted a job satisfaction survey collectively in the group. The employee net promoter score (eNPS) was +33, which is classified as very good. We will do our best to further improve job satisfaction as we acknowledge the positive impact on our performance. Light integration is considered as one of the factors attracting companies to join Solwers over other options.

In total, four acquisitions and one merger took place in 2023. We were happy to welcome Transport Consultancy Group Nordic AB, North 68 Consulting AB, Arkman Arkkitehtuuri Oy and LVI-Insinööritoimisto Plan-Air Oy to become part of the Solwers team. The last three acquisitions were executed by Solwers subsidiaries to strengthen their business position with a solid client base and experienced professionals. Kalliosuunnittelu Rockplan Ltd merged with Finnmap Infra, enabling a wide range of services for large infrastructure projects under one roof.

In addition, two other acquisitions were lined up in Sweden for the beginning of 2024: WiseGate AB and Relitor Engineering AB. Their combined turnover in 2023 is estimated to be around SEK 117 million. Furthermore, Solwers agreed on a shareholding partnership in an environmental consulting company Kari & Pantsar Oy in Finland.

### **Broad client base and interesting projects throughout the year**

Solwers companies have in total over 500 active clients, more than 3,500 ongoing projects and over 150 frame agreements. Most of the projects, around 70 per cent, are below EUR 10,000 in sales value, thus less prone to interruptions, postponements or price competition caused by economic fluctuations. Some of the most significant clients are Trafikverket - Swedish Transport Administration, Väylävirasto - Finnish Transport Infrastructure Agency, LKAB and Senate Properties.

About half of Solwers' revenue comes from public projects and the other half from the private sector. The Infra projects represent around half of the public sector project revenue.

Solwers' subsidiaries are involved in many projects related to the green transition. An interesting project to mention is Solwers company Licab AB assisting H2 Green Steel AB in the upcoming low-emission steel plant project in Sweden. Licab provides project management, links the operations and constructions teams, plans, drives, coordinates the sub-projects, and offers project management of the headquarters. Licab also designs the railway solutions and offers technical solutions for the project.

ELE Engineering AB has been involved in several projects that strengthen Sweden's national grid, which connects wind farms, solar power plants and battery energy storage systems (BESS).

An example from Finland is an energy-efficient planning is the Original Sokos Hotel Royal, opened in Vaasa in February of this year. Solwers company Polyplan, together with the client and developer organization, has been brainstorming the content of the project right from the project and draft design phase. In addition to the main, architectural, and interior design (Huippu spa facilities) carried out by Polyplan, the project utilised the extensive know-how of other Solwers companies: Contria Oy was responsible for the structural design of the site, Insinööritoimisto W. Zenner for the acoustic design, and Finnmap Infra/Rockplan consulted on rock construction issues.

Some of the interesting infrastructure projects in Finland include Laurila-Haukipudas track renovation by Finnmap Infra. The track section of 90 km is exceptionally long and geotechnically challenging. It includes several soft-lands and frost protection sites. Finnmap Infra plans track geometry and drainage and improves grade crossing safety. Another big infrastructure project is removal of 15 grade crossings between Jyväskylä-Pieksämäki, including road design for the new connections, design of a total of 10 bridges, geotechnical design, water drainage planning as well as planning of cable transfers, traffic control, lighting, and the fairway environment. Both projects, assigned by The Finnish Transport Infrastructure Agency are scheduled to be completed in 2025.

Lukkaroinen Architects has been involved with several large hospital and school design projects in 2023, including Laakso Hospital, Old Vaasa Hospital, Ahmo School Center and Siilinlahti Elementary School. The Old Vaasa Hospital project also involves several other Solwers companies, HVAC by LVI-Insinööritoimisto Meskanen, acoustic design by Insinööritoimisto W. Zenner and infra design by Finnmap Infra.

### **Continued growth strategy**

Solwers continues to implement the growth strategy, which is mainly based on acquisitions but also organic growth. The acquisitions focus on areas where new production is booming, such as energy, automation, and power transmission. Many of these are related to security and the reduction of CO2 emissions. Other strategic competences complementing the service portfolio are also considered.

## Strategy and Mid-term targets

Solwers' vision is to be the preferred partner for its customers in the visionary and sustainable design and engineering. The company's goal is to continue to grow and expand in at least two countries.

The growth strategy is based on acquisitions, organic growth, and the attractiveness as a good employer for professionals in various fields as well as continuous development and competence. The company aims to balance its sources of revenue so that significant part of its revenue comes from public and infrastructure projects.

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%

## Market outlook

The current market visibility is short, which makes forecasting challenging.

In Finland, the workload is expected to drop in some areas for the next six months. However, the market is anticipated to pick up towards the end of 2024<sup>1</sup> if the interest rates drop and the willingness to invest increases.

There is an increase in new orders in multiple segments both in Finland and Sweden, such as infrastructure, industry, and office projects.<sup>1,2</sup> However, the Company anticipates that possible challenges in public finance can have an impact on the infrastructure projects in Finland whereas in Sweden the start of the infrastructure projects have been accelerated by the government.

The tightening EU regulation regarding biodiversity will open new business opportunities. Circular economy projects will start to push through.

We see that the transition to fossil-free energy and industrial production will keep growing. A variety of new energy production alternatives, energy storage, power transmission grids and automation solutions will increase the demand for engineering and project management services in these fields. We anticipate the industrial investments to further increase, particularly in North of Sweden, where shortage of skilled professionals remains to be a challenge.

Our business sector has suffered from a chronic shortage of skilled professionals over the past decade. Due to the challenging market climate, some layoffs have taken place but the share of laid off professionals is still relatively low in the consultancy and planning sector.<sup>1,2</sup>

Sources: <sup>1</sup>Suhdannekatsaus 01/2024 – SKOL (Teknologioteollisuus), <sup>2</sup>Investeringssignalen Februari 2024 – Investeringsföretagen.

## Solwers outlook

Solwers' business is supported by the megatrend of urbanization, the green transition in Europe, tightening regulation on biodiversity, self-sufficiency in energy production, and especially in Sweden the increased orders of the defense equipment industry which create new business opportunities.

In the ongoing year 2024 the acquisitions continue to support our existing business. We focus on areas where new production and investments are booming such as energy, automation, and power transmission.

Solwers has a good order backlog in the public sector and infrastructure projects and long assignments also in hospital and school design projects. The company has a wide client base and a diverse service portfolio - around 70 per cent are small, under EUR 10 000 projects. In addition, we continue to manage business risk by operating in multiple locations in at least two countries.

Solwers' business climate is expected to improve towards the end of 2024 with the general market pick-up.

## Revenue, profitability, and result

Solwers Plc's revenue in January–December was EUR 66.0 (62.8) million. Revenue growth was 5.1% (40,6%). Acquisitions represent 2.5 million of the growth while the impact of currency fluctuation was negative. The size and timing of four acquisitions affected in a lower growth compared to the previous years.

EBITA was EUR 7.0 million (7.2) and EBITA margin fell slightly from 11.5% to 10.7%. Respectively EBIT decreased from EUR 5.1 million to 4.8 million. EBIT margin was 7.3% (8,1%) Personnel expenses increased by EUR 4.6 million and 7.7% while the average number of employees increased by 1.8%. Other operating expenses increased by EUR 1.3 million, being 14.6%. Depreciation stayed at last year's level and Profit for the Financial Year ended up at EUR 3.2 million (3.6). Earnings per share were EUR 0.32 (0.38).

## Balance sheet and financing

Total assets were EUR 87.0 (81.7) million. The increase in assets resulted from acquisitions and from wider interpretation of IFRS 16 standard at premises rental agreements. This resulted in tangible assets growing to EUR 7.3 million (5.7). Cash and cash equivalents decreased by EUR 2.5 while current receivables increased by EUR 2.0 million to EUR 16.6 million and this resulted Current assets EUR 33.5 (33.6) million to remain at the same level as last year.

In March Solwers Plc announced that relating to the acquisition of the Transport Consultancy Group Nordic AB the company issued 40,285 new shares and the number of treasury shares possessed decreased from 41,220 to 0.

In late December a bank loan of EUR 2.3 million for Acquisition purposes was drawn down. Which resulted in the increase of Non-current liabilities to EUR 28.4 (28.0) million.

At the end of the year, interest-bearing liabilities totaled EUR 33.4 (31.8) million, consisting of EUR 19.3 (18.7) million in loans from financial institutions, EUR 7.1 (7.5) million in purchase price liabilities arising from company acquisitions, EUR 6.0 (4.0) million in lease liabilities and EUR 1.0 (1.6) million in other interest-bearing liabilities.

At the end of the year, the company's net debt totaled EUR 17.4 (13.4) million whereof cash and cash equivalents amounted to EUR 16.0 (18.5) million.

## Cash flow

Net cash flow from operating activities remained at a good level, EUR 5.2 million, despite falling a bit compared to last year (5.8). The largest movement compared to last year came from a change in the current non-interest-bearing receivables, being EUR -1.2 million (0.5). Paid income taxes amounted to EUR -0.6 million (-1.5) and cash flow from interest paid on loans was EUR -0.9 million (-0.3).

Net cash flow from investment activities included acquisition related cash flow EUR -3.0 million (-1.8) and totaled to EUR -4.0 million (-3.0).

Net cash flow from financing activities was EUR -3.7 million (-3.0) where acquisitions related loan withdrawal was EUR 2.3 million (5.0). Dividends, including payments to non-controlled parties generated EUR -0.8 million cash outflow (-0.5).

The cash balance at the end of the year EUR 16.0 million (18.5) remained at high level facilitating the company acquisition strategy.

## Mergers & Acquisitions

In February 2023 Solwers Sweden AB acquired Transport Consultancy Group Nordic AB (TCG Nordic) specialized in technical consultancy in the rail industry. The demand for more sustainable rail transport has increased, the company has long-term projects and a relatively stable business.

Several acquisitions were executed by Solwers subsidiaries to strengthen their business position. In September 2023, Sweden-based Licab acquired North 68 Consulting AB in Kiruna with 20 specialists working for infrastructure, mining industry and municipal projects in Kiruna.

Arkman Arkkitehtuuri Oy on the other hand is a small local architectural company in Kokkola, Finland and was acquired by Lukkaroinen Architects. With the acquisition, Lukkaroinen now has four office locations in Finland and a stronger foothold particularly in the design of healthcare buildings in Finland.

The fourth acquisition took place in December by LVI-Insinööritoimisto Meskanen that strengthened its competence in HVAC planning by acquiring LVI-Insinööritoimisto Plan-Air Oy. With a demand for competent HVAC professionals, Plan-Air came with experienced staff, more capacity, and know-how as well as a solid client base.

Two group companies, Kalliosuunnittelu Oy Rockplan Ltd merged with Finnmap Infra in November 2023. The merger allows clients comprehensive services for large infrastructure projects. With the merger, Finnmap Infra team consists now of more than 100 experts. The company offers expertise in road, railway, rock engineering design as well as geotechnology, lighting, bridges, and special structures design. In addition, the company offers environmental and road maintenance consulting. Rockplan remains an auxiliary business name of Finnmap Infra Oy.



## Personnel, Board of Directors, and Management

The average number of employees at Solwers companies during the financial year was 611 (600), with the parent company having an average of 4 (5) employees. At the end of the reporting period, the Solwers companies employed a total of 635 (582) people.

### Board of Directors

The Annual General Meeting held on 21 April 2023 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 Grant Thornton Oy to continue as the company's auditor. Satu Peltonen, Authorized Public Accountant, will continue as the auditor with principal responsibility.

### Changes in the Group Management

The group management had two new people joining the company during 2023: Jasmine Jussila was appointed as Head of Group Communications in August 2023 and Teemu Kraus was appointed as CFO in September 2023. Solwers Plc's CEO is Stefan Nyström and Olli Kuusi is the General Counsel. Nina Nikander is the HR Director, Finland.

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.

The previous CFO Roger Lindqvist continues working at Solwers Plc as Senior Advisor.

## Shares and shareholders

### Changes in the number of shares

In connection with the acquisition of Transport Consultancy Group Nordic AB, part of the purchase price was agreed to be paid in Solwers Plc shares. The total number of shares to be directed to the sellers was 81,505 shares.

The number of treasury shares possessed by the company decreased from 41,220 to 0. In addition, the company issued 40,285 new shares that were registered on 27 March 2023 in the trade register maintained by the Finnish Patent and Registration Office. The total number of shares issued by Solwers Plc increased to 9,915,067 shares.

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

### Trading the company's shares

Solwers Plc has a Liquidity Provision Agreement in place with Carnegie Investment Bank AB. According to the agreement, the bank will quote bids and offers for Solwers Plc's share in compliance with Nasdaq First North Growth Market Finland rules for liquidity provision.

The closing price of the company's share on 31 December 2023 was EUR 4.82. Solwers Plc's market capitalization at the end of the financial year was EUR 47.8 million.

## Largest shareholders on 31 December 2023

A total of 2,027 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:

Shareholder	Number of 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 Osake	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 Pienyhtiö	108 020	1,1 %
<b>10 largest shareholders, total</b>	<b>6 610 021</b>	<b>66,7 %</b>
Nominee registered shares	1 386 609	14,0 %
Other shareholders	1 918 437	19,3 %
<b>Number of shares, total</b>	<b>9 915 067</b>	<b>100,0 %</b>

## Annual General Meeting on 21 April 2023 and the currently valid authorizations of the Board of Directors

The Annual General Meeting held on 21 April 2023 adopted the financial statements, and the members of the Board of Directors and the CEO were discharged from liability for the financial year 1. January - 31. December 2022. The Annual General Meeting resolved on the distribution of a dividend of EUR 0.073 (0.040) per share be distributed for the financial year 2022 (2021).

The Annual General Meeting re-elected Leif Sebbas (Chairman of the Board), Hanna-Maria Heikkinen, John Lindahl, Mari Pantsar, and Emma Papakosta.

The Annual General Meeting authorized the Board of Directors to decide upon the repurchase and on the acceptance as pledge of a maximum of 991 506 of the company's own shares in total in one or several tranches. The authorization entitles the Board of Directors to decide on the repurchase also in deviation from the proportional holdings of the shareholders (directed repurchase). The authorization, which has not yet been used, is valid until the conclusion of the next Annual General Meeting, but no later than 30 June 2024.

The Annual General Meeting authorized the Board of Directors to decide on the issuance of 991 506 shares in one or several tranches. The authorization entitles the Board of Directors to decide on a

directed issue, i.e. an issue deviating from the pre-emptive subscription rights of the shareholders. Also, the Board of Directors was authorized to decide on the terms of the issuance of shares and option rights and other special rights.

Until December 31, 2023, the board had not used the authorization from AGM to purchase its own shares. Based on the share issuance authorization received from the same general meeting, 81,505 new shares have been directed to the sellers of Transport Consultancy Group AB during the financial year, of which 41,220 shares were in the company's possession at the time of the issue. 40,285 new shares were therefore registered in Solwers Plc's share register on March 27, 2023.

## Risks and uncertainties

Solwers' acquisition-based growth strategy may not be implemented as planned if there are no suitable companies available or the arrangements cannot be carried out on economically favourable terms.

In the Company's view, the risks in the operating environment of Solwers companies are affected by the geopolitical tensions that can adversely affect the operating environment of the global economy and thus increase uncertainty in the financial markets.

Possible challenges in the public finance in Finland and an unstable labour market can have an impact on investment willingness. The general economic situation, including inflation, interest rates and currency fluctuations 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.

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

## Events after the financial year

On January 9, 2024, Solwers Plc's subsidiary Solwers Sweden AB signed an agreement to buy the entire share capital of Swedish WiseGate AB, whose subsidiaries are WiseGate Consulting AB, which specializes in energy and process industry consulting and planning, and automation company DEMAB AB. The companies employ more than 50 experts and operate in eight locations in Sweden. Following the acquisition, Solwers organized a directed share issue to the sellers. The number of new shares directed to sellers is 31,267 shares, which were registered in February 2024.

On January 23, 2024, Solwers Plc agreed on a shareholding partnership with Kari & Pantsar Oy focusing on environmental consulting. The ownership is one third of the company's shares. The company employs seven climate and environmental experts in Finland.

On January 29, 2024, Solwers Plc expanded its range of services to plant engineering. Solwers Sweden AB signed an agreement to buy the entire stock of Relitor Engineering AB. The company employs more than 20 experts in Sweden. With the deal, the company organized a share issue aimed

at sellers. The number of new shares directed to sellers is 58,071 shares, which were registered in February 2024.

## The Board's proposal for the distribution of profit

At the end of the financial year 2023, Solwers Plc's distributable funds amounted to EUR 37,367,260.68, of which the loss for the financial year was EUR 348,380.72.

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 0.064 per share, corresponding to EUR 640,281.92 in total, be paid from retained earnings.

## Financial reporting

The Annual Report 2023, Financial Statements and the Report of the Board of Directors for 2023 will be published as a company release latest on 29 March and will be available digitally on the company website at <https://solwers.com/for-investors/reports-and-presentations>.

The Annual General Meeting will be held on April 25, 2024. The official notice of the AGM will be presented later.

Solwers publishes three interim reports in 2024:

31.05.2024 Business Review January-March  
30.08.2024 Half-year Report for January-June  
29.11.2024 Business Review January-September

## Webcast

The company will hold a briefing in English for investors, media, and analysts on March 11, 2024 at 13:00 am EET. The webcast can be followed by registering at <https://solwers.videosync.fi/financial-statement-release2023/register>. Audience may submit questions through the webcast chat. A recording of the webcast and the presentation materials will be subsequently available at <https://solwers.com/for-investors/reports-and-presentations/>.

Espoo, March 11, 2024

**Solwers Plc**  
Board of Directors

## For further information, please contact:

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# SOLWERS

## **Solwers Plc**

*Solwers is a growth-oriented group of expert companies. Solwers Plc acts as a growth platform for its subsidiaries and challenges the traditional practices of the built environment consulting industry. More than 25 Solwers companies operate under their own brands and offer a wide range of design, engineering, and project management services. The group employs over 700 experts in Finland and Sweden.*

[solwers.com](http://solwers.com)

### **Distribution:**

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Key media

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

## **Accounting principles**

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.com/for-investors/reports-and-presentations/>.

The figures presented in the 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	2023	2022	H2/2023	H2/2022
<b>REVENUE</b>	<b>65 991</b>	<b>62 796</b>	<b>32 797</b>	<b>30 234</b>
Other operating income	1 072	230	982	155
Materials and services	-8 022	-8 342	-4 187	-1 883
Employee benefit expenses	-41 993	-38 762	-20 734	-20 876
Amortization, depreciation and impairment	-3 107	-3 065	-1 582	-1 628
Other operating expenses	-9 096	-7 766	-4 915	-3 720
<b>OPERATING PROFIT</b>	<b>4 845</b>	<b>5 091</b>	<b>2 362</b>	<b>2 283</b>
Financial income and expenses	-966	-495	-460	-293
<b>PROFIT BEFORE TAXES</b>	<b>3 878</b>	<b>4 597</b>	<b>1 902</b>	<b>1 990</b>
Income taxes	-670	-1 022	-170	-335
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>3 208</b>	<b>3 574</b>	<b>1 732</b>	<b>1 656</b>
<b>Profit for the financial year attributable to</b>				
Parent company shareholders	3 155	3 396	1 702	1 578
Non-controlling interest	53	178	26	78
<b>Earnings per share (EUR)</b>				
Earnings per share, non-diluted	0,32	0,38	0,17	0,18
Earnings per share, diluted	0,32	0,38	0,17	0,18
<b>Average number of shares during the financial year</b>				
Non-diluted	9 896 086	8 843 228	9 876 791	8 913 345
Diluted	9 896 086	8 843 228	9 876 791	8 913 345
<sup>1)</sup> Comparison year adjusted for effect of 2021 share split				
<b>Other comprehensive income</b>				
Prior years adjustments				
Items recognized in retained earnings	-27	0	-27	177
Deferred taxes	0	0		
Items related to net investments in foreign subsidiaries				
FX rate differences	64	-1 553	1 290	-707
Deferred taxes	-13	288	-258	140
Items that may later be recognized through profit or loss				
Translation differences	-15	0	106	7
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>	<b>3 217</b>	<b>2 309</b>	<b>2 843</b>	<b>1 273</b>
<b>Total comprehensive income for the financial year attributable to</b>				
Parent company shareholders	3 162	2 131	2 815	1 195
Non-controlling interest	54	178	28	78

## Consolidated balance sheet, IFRS (unaudited)

Solwers Consolidated EUR thousand	31.12.2023	31.12.2022	30.6.2023	30.6.2022
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Intangible assets	42 984	39 122	40 875	36 507
Tangible assets	7 295	5 651	6 068	5 872
Investments	1 889	1 888	1 888	1 908
Receivables	1 337	1 451	1 355	1 396
<b>NON-CURRENT ASSETS, TOTAL</b>	<b>53 505</b>	<b>48 112</b>	<b>50 186</b>	<b>45 682</b>
<b>CURRENT ASSETS</b>				
Inventories	146	168	193	164
Receivables	16 557	14 586	16 629	16 220
Investments	885	334	1 359	331
Cash and cash equivalents	15 953	18 482	13 981	12 553
<b>CURRENT ASSETS, TOTAL</b>	<b>33 541</b>	<b>33 570</b>	<b>32 161</b>	<b>29 268</b>
<b>ASSETS, TOTAL</b>	<b>87 046</b>	<b>81 682</b>	<b>82 347</b>	<b>74 949</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Subscribed capital	1 000	1 000	1 000	1 000
Share premium account	20	20	20	20
Other reserves	36 473	35 903	36 290	31 509
Retained earnings	-657	-2 816	-1 340	-2 041
Profit for the financial year	3 026	3 396	1 453	1 818
<b>EQUITY, TOTAL</b>	<b>39 862</b>	<b>37 504</b>	<b>37 423</b>	<b>32 306</b>
<b>NON-CONTROLLING INTEREST</b>	<b>546</b>	<b>654</b>	<b>480</b>	<b>589</b>
<b>LIABILITIES</b>				
Non-current liabilities	28 437	28 004	27 288	25 142
Current liabilities	18 200	15 521	17 155	16 912
<b>LIABILITIES, TOTAL</b>	<b>46 637</b>	<b>43 524</b>	<b>44 443</b>	<b>42 054</b>
<b>EQUITY AND LIABILITIES, TOTAL</b>	<b>87 046</b>	<b>81 682</b>	<b>82 347</b>	<b>74 949</b>



## Consolidated cash flow statement, IFRS (unaudited)

Solwers Consolidated EUR thousand	2023	2022	H2/2023	H2/2022
<b>Cash flow from operating activities</b>				
Profit for the financial year	3 208	3 574	1 732	1 655
Adjustments				
Amortization, depreciation and impairment	3 107	3 065	1 721	1 628
Financial net	966	495	460	293
Income tax	670	1 022	170	334
Gain from sale of intangible and tangible assets	-36	-40	-36	-24
Sales losses and scrapping of intangible and tangible assets	121	146	121	130
Cash flow before change of working capital	8 037	8 262	4 029	4 016
Change of working capital				
Change of inventories	22	-5	47	-4
Change of current non-interest bearing receivables	-1 139	524	-232	1 852
Change of current investments	-551	-2	474	-3
Change of current non-interest bearing payables	343	-1 473	390	-1 528
Change of net working capital, total	-1 325	-956	679	317
Financial net and income tax				
Interest paid on loans from credit institutions and other interest bearing debts	-879	-345	-464	-194
Interest paid on leasing debt	-178	-117	-109	-57
Interest received	148	22	148	13
Other financial items paid and received (net)	-66	460	-200	582
Income tax paid	-550	-1 522	397	-719
	-1 525	-1 502	-228	-375
<b>Net cash flow from operating activities</b>	<b>5 187</b>	<b>5 805</b>	<b>4 480</b>	<b>3 958</b>
<b>Cash flow from investment activities</b>				
Investment in intangible non-current assets	-4	-631	-4	-432
Investment in tangible non-current assets	-589	-581	-533	-564
Investment in non-current receivables (net)	121	-31	25	-37
Proceeds from sale of non-current assets	36	40	36	24
Business combinations	-3 009	-1 817	-1 107	0
Acquisition of non-controlling interest	-555	0	-555	0
<b>Net cash flow from investment activities</b>	<b>-3 999</b>	<b>-3 019</b>	<b>-2 137</b>	<b>-1 009</b>
<b>Cash flow from financing activities</b>				
Share issue	0	4 488	0	4 488
Costs paid for other share issues	0	-235	0	-235
Loans withdrawn from credit institutions	2 304	5 036	2 304	0
Net change in other interest -bearing liabilities	-769	456	-769	565
Repayment of loans and other interest bearing debts	-1 673	-1 515	-1 020	-566
Repayment of leasing debt	-2 271	-2 530	-984	-1 364
Repayment of non-interest bearing debt	-508	-2 117	174	69
Dividends paid	-799	-529	-75	24
<b>Net cash flow from financing activities</b>	<b>-3 716</b>	<b>3 053</b>	<b>-371</b>	<b>2 981</b>
<b>Change of cash and cash equivalents</b>	<b>-2 529</b>	<b>5 839</b>	<b>1 971</b>	<b>5 930</b>
Cash and cash equivalents, opening balance 1.1.	18 481	12 642	13 981	12 552
<b>Cash and cash equivalents, closing balance 31.12.</b>	<b>15 952</b>	<b>18 481</b>	<b>15 952</b>	<b>18 483</b>

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

s Consolidated ousand		FINANCIAL YEAR 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	
<b>Opening Balance 1.1.</b>	1 000	0	20	120	35 989	38	336	37 504	654	38 158	
<b>Comprehensive income</b>											
Profit for the period	-	-	-	-	-	-	3 026	3 026	53	3 079	
Other comprehensive income											
FX differences from net investments in foreign subsidiaries	-	-	-	-	-	-	64	64	-	64	
Deferred taxes	-	-	-	-	-	-	-13	-13	-	-13	
<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>3 078</b>	<b>3 078</b>	<b>53</b>	<b>3 130</b>	
<b>Transactions with equity holders</b>											
Business combinations	-	-	-	-	394	-	-	394	-	394	
Redemption of non-controlling interest	-	-	-	-	-	-	-284	-284	-70	-354	
Dividend distribution	-	-	-	-	-	-	-724	-724	-91	-815	
<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>-1 008</b>	<b>-614</b>	<b>-161</b>	<b>-775</b>	
<b>Other changes</b>											
Transfer to development fund	-	-	-	-30	-	-	30	0	-	0	
Change of translation difference	-	-	-	-	-	138	-	138	-	138	
Other changes	-	-	-	-	-	-	-242	-242	-	-242	
<b>Other changes, total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-30</b>	<b>0</b>	<b>138</b>	<b>-213</b>	<b>-104</b>	<b>0</b>	<b>-104</b>	
<b>Closing Balance 31.12.</b>	<b>1 000</b>	<b>0</b>	<b>20</b>	<b>90</b>	<b>36 383</b>	<b>176</b>	<b>2 193</b>	<b>39 862</b>	<b>546</b>	<b>40 408</b>	

s Consolidated ousand		FINANCIAL YEAR 2022								EUR THOUSAND	
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	
<b>Opening Balance 1.1.</b>	1 000	1 453	20	8	29 667	98	-987	31 260	650	31 909	
<b>Comprehensive income</b>											
Profit for the period	-	-	-	-	-	-	3 396	3 396	178	3 574	
Other comprehensive income											
FX differences from net investments in foreign subsidiaries	-	-	-	-	-	-	-1 553	-1 553	-	-1 553	
Deferred taxes	-	-	-	-	-	-	288	288	-	288	
<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>2 131</b>	<b>2 131</b>	<b>178</b>	<b>2 309</b>	
<b>Transactions with equity holders</b>											
Business combinations	-	-1 453	-	-	1 834	-	-	381	-	381	
Share issue 16.12.2022	-	-	-	-	4 488	-	-	4 488	-	4 488	
Share issue expenses	-	-	-	-	-	-	-244	-244	-	-244	
Dividend distribution	-	-	-	-	-	-	-350	-350	-131	-481	
Prior year adjustments	-	-	-	-	-	-	-	0	-	0	
<b>Transactions with equity holders, total</b>	<b>0</b>	<b>-1 453</b>	<b>0</b>	<b>0</b>	<b>6 322</b>	<b>0</b>	<b>-594</b>	<b>4 275</b>	<b>-131</b>	<b>4 144</b>	
<b>Other changes</b>											
Transfer to development fund	-	-	-	112	-	-	-112	0	-	0	
Change of translation difference	-	-	-	-	-	-60	-	-60	-	-60	
Other changes	-	-	-	-	-	-	-102	-102	-43	-145	
<b>Other changes, total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>112</b>	<b>0</b>	<b>-60</b>	<b>-214</b>	<b>-162</b>	<b>-43</b>	<b>-205</b>	
<b>Closing Balance 31.12.</b>	<b>1 000</b>	<b>0</b>	<b>20</b>	<b>120</b>	<b>35 989</b>	<b>38</b>	<b>336</b>	<b>37 504</b>	<b>654</b>	<b>38 158</b>	

## 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	EBIT excluding depreciation, amortization and impairment of intangible assets and leased premises = EBIT + amortization of intangible assets and leased premises + impairment
EBITA %	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



## SOLWERS

Net debt

Interest-bearing liabilities + lease liabilities + other liabilities comparable to interest-bearing liabilities - cash and cash equivalents

Equity ratio

$(\text{Equity} + \text{non-controlling interest}) / \text{balance sheet total}$

Adjusted equity ratio

$(\text{Equity} + \text{non-controlling interest} + \text{capital loans}) / \text{balance sheet total}$