

An aerial photograph of a tall, silver, lattice-structured telecommunications tower. The tower is positioned in the center of the frame, surrounded by a dense field of green corn plants. Several power lines run vertically across the image, passing over the tower. The top of the tower has various antennas and equipment mounted on it.

SOLWERS

**SOLWERS PLC HALF-
YEAR REPORT**

January – June 2024

**Continuous growth driven by
acquisitions**



Solwers Plc Half-Year Financial Report 1.1. – 30.6.2024 (unaudited)

Continuous growth driven by acquisitions

The figures for the first half of the year (1 January–30 June 2024) are unaudited. The figures in brackets refer to the corresponding period in the preceding year and are of the same unit, unless otherwise stated.

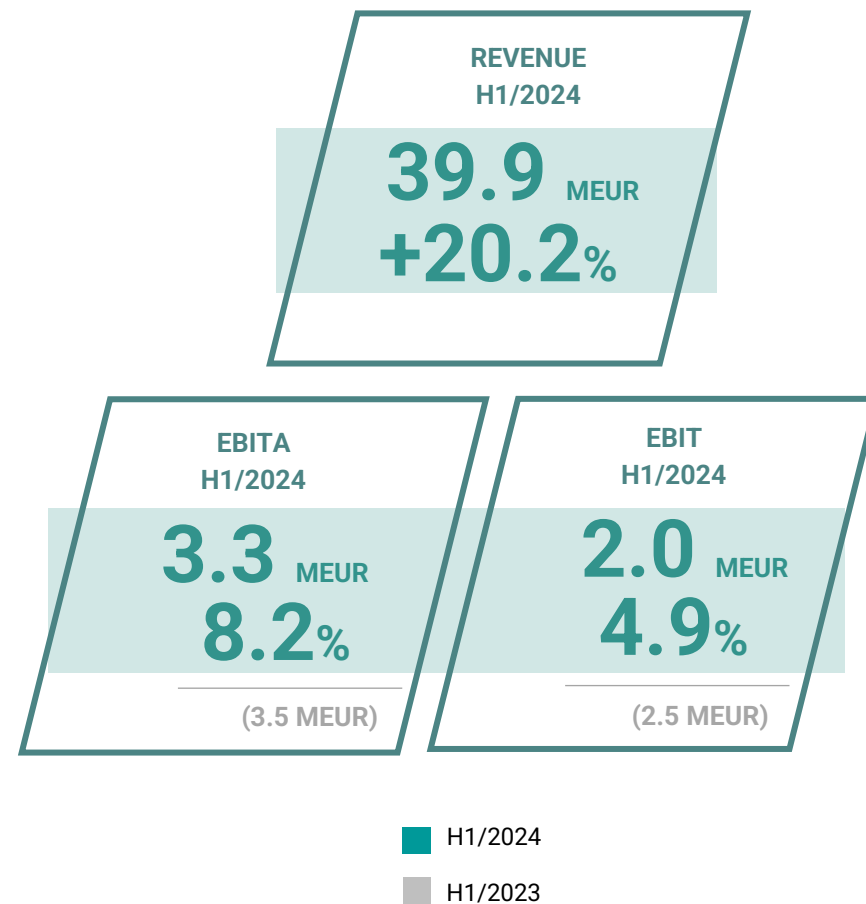
January-June 2024 in brief

- Revenue was EUR 39,909 (33,194) thousand, growth of 20.2% vs previous year
- EBITA was EUR 3,259 (3,536) thousand, 8.2% (10.7) of revenue
- EBIT was EUR 1,952 (2,483) thousand, 4.9% (7.5) of revenue
- Operating cash flow of EUR +1,125 (+985) thousand remained relatively stable. Financial position continued to be good
- Billing rate was 81.5% (81.7)
- Earnings per share (EPS) was EUR 0.07 (0.15)
- Headcount at the end of the reporting period was 690 (611)
- The implementation of the growth strategy continued by acquiring three operative companies in Sweden, one in Finland as well as a shareholding partnership in one company in Finland
- Ownership in the subsidiaries was strengthened by redeeming minority holdings in two subsidiaries
- The Annual General Meeting decided to distribute dividends of EUR 0.064 (0.073) per share for the financial year 2023



Key figures

Solwers Consolidated EUR thousand	H1/2024	H1/2023	2023
Revenue	39 909	33 194	65 991
EBITDA	3 752	4 008	7 952
EBITDA-%	9,4 %	12,1 %	12,0 %
EBITA	3 259	3 536	7 039
EBITA-%	8,2 %	10,7 %	10,7 %
EBIT	1 952	2 483	4 845
EBIT-%	4,9 %	7,5 %	7,3 %
Net Profit	750	1 476	3 208
Net Profit-%	1,9 %	4,4 %	4,9 %
Earnings per Share (EPS)	0,07	0,15	0,32
Revenue per employee	57	55	108
Revenue growth, %	20,2 %	1,9 %	5,1 %
Billing rate, %	81,5 %	81,7 %	81,5 %
Equity	40 184	37 903	40 409
Net debt	23 590	17 261	17 436
Net Debt excluding Leasing Debt	17 421	11 387	11 435
Equity Ratio, %	43,4 %	46,0 %	46,4 %
Total Assets	92 646	82 347	87 046
Headcount, average during period	699	601	611
Headcount, at end of period	690	611	635





CEO's Review

STEFAN NYSTRÖM:

The year 2024 so far has been eventful for Solwers, marked by acquisitions and initial preparations for a possible transfer to the main list of Nasdaq Helsinki. During 2024, we have already welcomed six new companies into the group and have several potential acquisition targets on our radar. This year we may well see a record-breaking number of acquisitions in Solwers' history. Our January-June revenue is nearing the milestone of 40 million euros, which corresponds to 20 per cent growth rate. Most of this is the result of acquisitions.

Evidently, the overall market uncertainty has persisted. The interest rates have decreased slower than expected, hence investment activity has not picked up as estimated at the beginning of the year. Companies that specialize in residential and office projects continue to face challenges, while infrastructure and industrial projects particularly in Northern Sweden perform better. From a geographical perspective, although we see bigger growth in Finland, the business climate is more favourable in Sweden. The relatively slower growth in Sweden can partly be attributed to the weak Swedish krona.

While the order backlog and billing rate have remained stable, Solwers' profitability KPIs have declined compared to the corresponding period last year. This is partly due to initial preparation costs related to a possible transfer to the main list of Nasdaq Helsinki. In addition, some recently acquired group companies are performing better than forecasted, which results in higher contingent consideration and decreases the reported profitability. Excluding these costs, EBITA exceeds last year's level. The performance has particularly improved in the second quarter of the year.

Despite the challenging phase in the economy, our vision extends further into the future in planning smart and sustainable societies. Our recent projects include OYS Future Hospital in Oulu, Finland where Solwers



company *Lukkaroinen Architects* was responsible for the architecture and interior planning in alliance with two other agencies. The hospital area will have a total of 120,000 m² and consists of modular buildings with standardized facilities enabling the widest possible range of uses to meet the needs of rapidly evolving hospital operations in the future. In Sweden, *Dreem Architects* is involved in the design of Future Backaplan, Sweden's largest building with recycled bricks located in Gothenburg. Once finished, Backaplan will offer housing, workplaces and recreation for approximately 20,000 people. The recycled bricks alone contribute to 210 tonnes less carbon dioxide. Together with other sustainable solutions, such as the partial use of wooden piles and low-carbon concrete, the goal for the entire project is to have at least 2,200 tonnes of lower CO² emissions. *ELE Engineering*, on the other hand, is responsible for the full secondary design of the construction project for the 130kV transformer station PT60 Flarken



in northern Sweden. ELE Engineering will supply the electrical design to Koncar Engineering, which is the main contractor for Vattenfall Eldistribution. This project will increase the transmission capacity in the northern part of Sweden and is expected to be completed by the end of 2026. Another Sweden-based subsidiary of Solwers' *Establish-Schening* has been contracted to play a pivotal role in managing part of the Swedish-American clothing brand GANT's strategic relocation project during the autumn of 2024. The project will focus on ensuring a seamless transition to the new distribution center, which is essential for GANT's continued growth in the European market.

Looking ahead, we expect a moderate improvement in our business climate towards the end of the year. We have great projects in the pipeline and look forward to positive investment decisions for new projects. We continue to adjust capacity where needed but most importantly, our focus is firmly on enhancing sales across subsidiaries, leveraging the megatrends of urbanization and the green transition in Europe and self-sufficiency in energy production.

Stefan Nyström, CEO

Market Outlook

In the short term, high inflation, high interest rates and construction costs lead to the weakening of purchasing power, willingness to invest in new projects and possibly postponing some. The market pick-up has been somewhat delayed in Finland as the interest rates have not come down at the pace generally anticipated at the beginning of the year.

Residential and office construction continue to struggle. The impact is visible across the engineering and design sectors by increased price competition, particularly in public sector projects in case they have fewer or no quality requirements.

Solwers anticipates that the transition to fossil-free energy and industrial production continue to grow, particularly in the North of Sweden. A variety of new energy production alternatives, energy storage, power transmission grids and automation solutions will continue to increase the demand for engineering and project management services in these fields. To our view, also the infrastructure sector has a positive outlook.

Solwers' outlook for 2024 remains unchanged

Solwers' outlook for 2024 is reiterated in accordance with the Financial Statements Release published on March 11, 2024.

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.

Strategy and mid-term financial 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%

Financial Position

Assets and equity

The company's total assets amounted to EUR 92,646 (82,347) thousand at the end of the period, of which cash and cash equivalents was EUR 13,207 (13,981) thousand.

Equity at the end of the period amounted to EUR 40,184 (37,903) thousand.

Net debt and equity ratio

The company's net debt at the end of the reporting period amounted to EUR 23,590 (17,261) thousand. Increase in debt is due to acquisitions.

Equity ratio at the end of the reporting was 43.4% (46.0), which is 8.4% points above the minimum level of 35% included in the financing agreement with the company's main financing bank.

Cash flow and financing

During H1 the liquidity continued to remain at a good level. Cash and cash equivalents ended up to EUR 13,207 (13,981) thousand. Cash and cash equivalents have decreased from fiscal year end 2023 by EUR 2,746 thousand mainly due to acquisitions and dividend payment.

The company's operative cash flow during the reporting period was positive EUR 1,125 (985) thousand. Net cash flow from investing activities EUR 2,871 thousand (1,863) increased due to high activity in M&A which amounted EUR 2,538 (1,902) thousand and from acquisition of non-controlling interests which amounted EUR 299 thousand (0).

An M&A dedicated loan of EUR 2,304 thousand was withdrawn. Bank loan instalments amounted to EUR 1,016 (653) thousand.



Mergers and Acquisitions

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

On March 28, Kalliotekniikka Consulting Engineers Oy acquired the entire stock of Finexplo Oy. Finexplo specializes in rock excavation and products for the mining industry.

On March 31, Arkman Arkkitehtuuri Oy merged into Lukkaroinen Architects Oy.

Personnel

The Solwers companies employed on average a total of 699 (601) during the period whereas the total headcount number at the of the period was 690 (611).

Annual General Meeting

The Annual General Meeting of Solwers Plc held on April 25, 2024, 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.-31.12.2023. The Annual General Meeting decided a dividend of EUR 0.064 (0.073) per share to be distributed for the financial year 2023, corresponding to EUR 640,281.92 (723,799.89).

The Composition and remuneration of the Board of Directors and Board Committees

The Annual General Meeting confirmed, in accordance with the proposal by the Company's Nomination and Remuneration Committee, that the number of members of the Board of Directors shall be five (5) and resolved on the re-election of **Leif Sebbas**, **Hanna-Maria Heikkinen**, **John Lindahl** and **Emma Papakosta** and the election of **Johanna Grönroos** as a new member of the Board of Directors. **Mari Pantsar**, who had served as member of the Board of Directors from the year 2019, had announced that she was no longer available for the position. The term of the members of the Board of Directors ends at the close of the next Annual General Meeting.

The Board appointed the Board Committee members as follows:

Audit Committee:

- Johanna Grönroos, Chair
- Leif Sebbas, Member
- John Lindahl, Member

Nomination and Remuneration Committee:

- John Lindahl, Chair
- Emma Papakosta, Member
- Hanna-Maria Heikkinen, Member



The Annual General Meeting resolved, in accordance with the proposal by the Company's Nomination and Remuneration Committee, that the remuneration payable to the members of the Board of Directors shall be EUR 2,500 (2,000) per meeting of the Board, except for the Chair of the Board, who shall be paid EUR 4,000 (2,000) per meeting of the Board. In addition, the Chair of the Audit Committee shall be paid remuneration of EUR 1,500 and each member of the Audit Committee EUR 1,000 per meeting. The Chair of the Nomination and Remuneration Committee shall be paid a remuneration of EUR 1,000 and each member of the Remuneration Committee EUR 750 per meeting.

In addition, the Annual General Meeting resolved that the remuneration for Committee shall be applied from the beginning of the fiscal year 2024.

Leif Sebbas was elected as the Chairman of the Board in the board's regrouping meeting on April 25, 2024. The introduction of the board members is available online at: <https://solwers.com/governance/#board>

Auditor and Sustainability Auditor

The Annual General Meeting re-elected the firm of authorised public accountants Grant Thornton Ltd as the Company's Auditor to serve for a term ending at the close of the next Annual General Meeting, with APA, ASA **Satu Peltonen** as the auditor with principal responsibility. Furthermore, Grant Thornton Ltd was elected as the Company's sustainability auditor provider to serve for a term ending at the close of the next Annual General Meeting, with APA, ASA Satu Peltonen as the responsible sustainability auditor. The Annual General Meeting resolved that the Auditor and the Sustainability Auditor shall be reimbursed in accordance with the auditor's invoice approved by the Board of Directors.

Amending the Articles of Associations

In accordance with the proposal of the Board of Directors, the Annual General Meeting decided to amend the Articles of Association of the

Company so that it specifies that the Annual General Meeting must also decide on the approval of the remuneration report for the governing bodies and, if necessary, on the remuneration policy for the governing bodies.

Remuneration Policy for Governing Bodies

The Annual General Meeting approved the Remuneration Policy for Governing Bodies. The resolution concerning the Remuneration Policy was advisory in nature.

Authorisations on the issuance of shares

The Annual General Meeting resolved to authorise the Board of Directors to decide on the issuance of new shares or treasury shares in two parts as follows:

- **Share issue authorisation I:** A maximum of 1,000,000 shares, which corresponds to 10 percent of the Company's issued shares today, exclusively for the execution of corporate acquisitions in which Solwers Plc acquires new companies or business operations to join the Solwers Group.
- **Share and special rights issue authorisation II:** A maximum of 500,000 shares or option rights and other special rights entitling to shares, which corresponds to 5 percent of the Company's issued shares today. 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 both authorisations, 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. In both authorisations, the Board of Directors would be



authorised to decide on the terms of the issuance of shares and option rights and other special rights.

The Board of Directors was authorised to resolve on all terms of the share issues. The authorisations are in force until the next Annual General Meeting, but not beyond 30 June 2025.

Authorisation on the repurchase and/or on the acceptance as pledge of own shares

The Annual General Meeting resolved to authorise the Board of Directors to decide on repurchase or acceptance as pledge of the Company's own shares in one or more tranches so that a maximum of 1,000,000 shares, representing 10 per cent of all issued and outstanding shares of the Company today, 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 repurchase 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 authorisation is in force until the next Annual General Meeting, but not beyond 30 June 2025.

Establishment of Shareholders Nomination Board

The Annual General Meeting resolved to establish a permanent Shareholders' Nomination Board in addition to the Nomination and Remuneration Committee of the Board of Directors and to approve its charter. The task of the Shareholders' Nomination Committee is to prepare and present proposals to the annual general meeting and, if necessary, to an extraordinary general meeting regarding the remuneration, number, and

members of the Board of Directors. Additionally, the committee is to be responsible for preparing the principles concerning the diversity of the board and for identifying potential successor candidates for members of the Board of Directors. The Annual General Meeting accepted the charter for the Shareholders' Nomination Board.

The Annual General Meeting minutes is available online at: <https://solwers.com/wp-content/uploads/2024/05/Solwers-Oyj-minutes-annual-general-meeting-1-2024.pdf>

Shares and shareholders

Solwers Plc issued new shares as part of the purchase price for acquisitions. On February 15, the Company registered 31,267 new shares in relation to the WiseGate AB acquisition. Additionally, on 23 February, the Company registered 58,071 shares in relation to Relitor Engineering AB acquisition. These actions raised the total number of Company's shares to 10,004,405 as of 30 June.

On June 30, 2024, a total of 2,068 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	3,367,761	33.7
CEB Invest Oy	1,080,323	10.8
Keskinäinen Työeläkevakuutusyhtiö Varma	427,653	4.3
Sijoitusrahasto Säästöpankki Pienyhtiöt	375,117	3.7
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 Pienyhtiö	106,069	1.1



10 largest shareholders combined total	6,608,070	66.1
Nominee registered shares	1,398,884	14.0
Other shareholders	1,997,451	20.0
TOTAL	10,004,405	100.0

Solwers Plc has received two retroactive flagging notifications in June 2024 in accordance with Chapter 9, Section 5 of the Securities Market Act. The reason for the retroactive flagging notifications is the amendment to the Securities Market Act approved on 12 April 2024, which expanded the flagging obligation to companies listed on the Nasdaq First North Growth Market Finland.

According to the notification on June 13, the direct holdings of shares and votes of CEB Invest Oy have before 19 April 2024 crossed the threshold of 10 per cent. CEB Invest Oy holds 1,080,323 shares corresponding to 10.80% of the Company's shares and votes.

According to the notification on June 14, the direct holdings of shares and votes of FME Consulting Oy in Solwers Plc have before 19 April 2024 crossed the threshold of 30 per cent. FME Consulting Oy holds a total of 3,367,761 shares corresponding to 33.66% of the Company's shares and votes.

Other key events

Performance share plan

Performance Share Plan for key employees was introduced. The Performance Share Plan 2024–2026 consists of one performance period, covering the financial years 2024–2026. The performance period includes three one-year measurement periods, covering the financial years 2024, 2025 and 2026. The Board of Directors will resolve annually on the performance criteria for each measurement period.

The target group in the plan consists of over 40 key employees, including the members of the Management Team, the CEO and key employees of the subsidiaries. In the plan, the target group has an opportunity to earn Solwers Plc's shares based on performance. The performance criterion of the first measurement period is tied to EBIT-%.

Minority stakes

The Company strengthened its ownership by redeeming minority stakes at Dreem AB and KAM Redovisning AB.

Analysts

Nordea equity research has initiated coverage on Solwers (Commissioned Research). The first extensive report was published in English on June 16, 2024. Nordea analyses are available at: <https://research.nordea.com/CompanyDetails/15620/Solwers>. In addition, Inderes to cover Solwers in Finnish as before. Inderes analyses are available at <https://www.inderes.fi/companies/Solwers>.

Risks and uncertainties

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.

In the Company's view, the risks in the operating environment of Solwers companies are affected by the 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 business of the group companies is based on expertise, and skilled personnel are the foundation of sustainable growth.

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.

Events after the review period

Solwers was strengthened with architectural expertise when Siren Architects, the oldest architectural firm in Finland by history joined the group on 4 July. Siren Architects' revenue for the fiscal year 1.3.2023-29.2.2024 was 1.75 million euros with an adjusted EBIT-margin of 13.5%. The company employs a total of 18 professionals and is reported as part of the Solwers group starting from July 7, 2024. In connection with the acquisition, Solwers Plc is organizing a directed share issue. The number of new shares to be directed to the seller is 103,632 shares, corresponding to approximately one per cent of the total outstanding and issued shares. Registration of the new shares is expected to take place during August 2024.

Solwers Plc also strengthened its presence in Sweden. On 19 August, Solwers company WiseGate AB acquired Spectra Consult AB. The acquired company employs around 20 experienced consultants in Skövde and Åmål, some of whom work as subcontractors. The company focuses on planning,

design and control in the fields of electricity, telecommunications and security. The company's revenue in 2023 was SEK 19.9 million and is reported as part of Solwers group starting from August 1, 2024. In connection with the acquisition, Solwers Plc is organizing a directed share issue. The number of new shares to be directed to the sellers is 62,471 shares, corresponding to approximately 0.6 per cent of the total outstanding and issued shares. Registration of the new shares is expected to take place during September 2024.

Financial calendar for 2024

The planned publication date for January-September Business Review is November 29, 2024.



Espoo, August 30, 2024

Solwers Plc

Board of Directors

SOLWERS

Solwers Plc

Solwers is a growth-oriented group of expert companies that acts as a growth platform for the companies it owns and challenges the traditional practices of the built environment consulting industry. 29 operative Solwers companies offer a wide range of engineering and project management services, employing around 700 experts in Finland and Sweden.

solwers.com

Webcast: August 30, 2024, at 10.00 am EEST

Webcast for analysts, media and investors will be held today, August 30, 2024, at 10.00 am EEST. The webcast can be viewed live at <https://solwers.videosync.fi/q2-2024>

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Accounting policies

This half-year report has not been prepared in accordance with IAS 34. The half-year report is unaudited has been prepared in accordance with Finnish legislation and the information is presented to the extent required by the Nasdaq First North Growth Market Rulebook sections 4.4.6 and 4.4.7. Solwers Plc prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS) and according to the same accounting policies as the 2023 financial statements published by the Company, which are available on the Company's investor pages at <https://solwers.com/for-investors/reports-and-presentations/>.

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 figures presented in half-year report are unaudited.

On March 19, 2024, Solwers Plc's Board of Directors announced that it decided on the launch of a long-term incentive plan for the selected key persons including Group CEO and Group management members. The decision includes a Performance Share Plan. Performance Share Plan 2024–2026 begins at the start of 2024 and covers an earnings period of three years and further, three measurement period of respective financial years. The Board of Directors will resolve annually on the performance criteria for each measurement period. The performance criterion of the first measurement period is tied to EBIT-%. The value of the rewards to be paid based on the plan corresponds to a maximum total of 229,600 shares of Solwers Plc, including also the proportion to be paid in cash. The share part will as an assumption be transferred from company's own shares if such are possessed, where in that part no dilution effect would take place for the shareholders' ownings. The potential rewards from the plan will be paid during the financial year 2027 and the vesting period ends on 30th April 2027. The potential reward will be paid partly in Solwers Plc's shares and partly in cash. The cash proportion of the reward is intended to cover taxes and statutory social security contributions arising from the reward to the key

employee. As a rule, no reward will be paid if the key employee's employment or director contract terminates before the reward payment.

The impact of the share-based incentive plan on the result of the financial year in Personnel costs was EUR 35 thousand, and respectively, EUR 35 thousand was allocated to the equity item "Retained earnings". The fair value of the benefit is the share value at the benefit's grant date, which was EUR 3.42 per share on the grant date April 26, 2024. The amount to be recognized as an expense is based on an estimate of the number of shares to which the right is expected to arise during the earnings period.

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 Plc consolidated EUR thousand	H1/2024	H1/2023	2023
REVENUE	39 909	33 194	65 991
Other operating income	104	90	1 072
Materials and services	-5 433	-3 835	-8 022
Employee benefit expenses	-25 583	-21 260	-41 993
Amortization, depreciation and impairment	-1 800	-1 525	-3 107
Other operating expenses	-5 245	-4 181	-9 096
OPERATING PROFIT	1 952	2 483	4 845
Financial income and expenses	-808	-506	-966
PROFIT BEFORE TAXES	1 144	1 977	3 878
Income taxes	-394	-501	-670
PROFIT FOR THE FINANCIAL YEAR	750	1 476	3 208
Profit for the financial year attributable to			
Parent company shareholders	745	1 453	3 155
Non-controlling interest	5	27	53
Earnings per share (EUR)			
Earnings per share, non-diluted	0,07	0,15	0,32
Earnings per share, diluted	0,07	0,15	0,32
Average number of shares during the financial year			
Non-diluted	9 979 627	9 903 493	9 896 086
Diluted	9 979 627	9 903 493	9 896 086
Other comprehensive income			
Prior year adjustments			
Items recognized in retained earnings	0	0	-129
Items related to net investments in foreign subsidiaries			
FX rate differences	-499	-1 226	64
Deferred taxes	100	245	-13
Items that may later be recognized through profit or loss			
Translation differences	-69	-121	134
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	282	373	3 264
Total comprehensive income for the financial year attributable to			
Parent company shareholders	274	347	3 212
Non-controlling interest	8	26	53



Consolidated balance sheet, IFRS (unaudited)

Solwers Consolidated EUR thousand	30.6.2024	30.6.2023	31.12.2023
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	46 436	40 875	42 984
Tangible assets	7 325	6 068	7 295
Investments	2 185	1 888	1 889
Receivables	1 276	1 355	1 337
NON-CURRENT ASSETS, TOTAL	57 222	50 186	53 505
CURRENT ASSETS			
Inventories	380	193	146
Receivables	20 918	16 629	16 557
Investments	919	1 359	885
Cash and cash equivalents	13 207	13 981	15 953
CURRENT ASSETS, TOTAL	35 424	32 161	33 541
ASSETS, TOTAL	92 646	82 347	87 046
EQUITY AND LIABILITIES			
EQUITY			
Subscribed capital	1 000	1 000	1 000
Share premium account	20	20	20
Other restricted reserves	102	102	90
Other reserves	36 793	36 383	36 383
Retained earnings	1 079	-1 534	-786
Profit for the financial year	745	1 453	3 155
EQUITY, TOTAL	39 739	37 423	39 862
NON-CONTROLLING INTEREST	445	480	546
LIABILITIES			
Non-current liabilities	24 502	27 288	28 609
Current liabilities	27 819	17 155	18 028
Provisions	140	0	0
LIABILITIES, TOTAL	52 462	44 443	46 637
EQUITY AND LIABILITIES, TOTAL	92 646	82 347	87 046



Consolidated cash flow statement, IFRS (unaudited)

Solwers Consolidated EUR thousand	H1/2024	H1/2023	2023
Cash flow from operating activities			
Profit for the financial year	750	1 476	3 208
Adjustments			
Amortization, depreciation and impairment	1 800	1 386	3 107
Financial net	808	506	966
Income tax	394	501	670
Other adjustments	294	139	85
Cash flow before change of working capital	4 047	4 008	8 037
Change of working capital			
Change of inventories	-54	-25	22
Change of current non-interest bearing receivables	-1 398	-949	-1 139
Change of current investments	-34	-1 025	-551
Change of current non-interest bearing payables	387	274	-171
Change of working capital, total	-1 099	-1 725	-1 839
Financial payments and income tax paid			
Interest received	35	0	148
Interest paid	-695	-484	-1 057
Other financial items paid and received (net)	-146	134	-66
Income tax paid	-1 016	-947	-550
Financial and income tax payments, total	-1 822	-1 297	-1 525
Net cash flow from operating activities	1 125	986	4 673
Cash flow from investment activities			
Investment in non-current assets (net)	-34	40	-436
Business combinations and investments in participating interests	-2 538	-1 902	-3 009
Acquisition of non-controlling interest	-299	0	-555
Net cash flow from investment activities	-2 871	-1 863	-3 999
Cash flow from financing activities			
Dividends paid	-738	-724	-799
Loans withdrawn from financial institutions	2 304	0	2 304
Repayment of loans from financial institutions	-1 016	-653	-1 673
Change in other interest-bearing liabilities (net)	316	0	-769
Repayment of non-interest bearing debt	-314	-682	-508
Repayment of leasing debts	-1 431	-1 287	-2 271
Net cash flow from financing activities	-879	-3 346	-3 716
Impact of cash held in foreign currencies	-120	-278	514
Change of cash and cash equivalents	-2 746	-4 501	-2 529
Cash and cash equivalents, opening balance	15 953	18 482	18 482
Cash and cash equivalents, closing balance	13 207	13 981	15 952



Consolidated statement of changes in equity, IFRS (unaudited)

Consolidated jsand	H1/2024									
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 2024	1 000	0	20	90	36 383	176	2 193	39 862	546	40 408
Comprehensive income										
Profit for the period	0	0	0	0	0	0	745	745	5	750
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	-2	0	-69	-431	-501	-1	-502
Deferred taxes	0	0	0	0	0	0	100	100	0	100
Total comprehensive income, net of tax	0	0	0	-2	0	-69	414	344	5	348
Transactions with equity holders										
Business combinations	0	0	0	30	411	0	0	441	0	441
Acquisition of non-controlling interest	0	0	0	0	0	0	-348	-348	-42	-390
Dividend distribution	0	0	0	0	0	0	-640	-640	-82	-722
Prior year adjustment	0	0	0	0	0	0	0	0	0	0
Transactions with equity holders, total	0	0	0	30	411	0	-989	-547	-123	-671
Other changes										
Transfer to development fund	0	0	0	-17	0	0	0	-17	0	-17
Change of translation difference	0	0	0	0	0	0	0	0	0	0
IFRS 2	0	0	0	0	0	0	35	35	0	35
Other changes	0	0	0	0	0	0	63	63	18	81
Other changes, total	0	0	0	-17	0	0	98	46	18	63
Closing Balance 30 June 2024	1 000	0	20	102	36 794	107	1 716	39 739	445	40 184

Consolidated jsand	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
Comprehensive income										
Profit for the period	0	0	0	0	0	0	745	745	5	750
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
Total comprehensive income, net of tax	0	0	0	0	0	0	-981	-981	5	-976
Transactions with equity holders										
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
Transactions with equity holders, total	0	0	0	0	394	0	-724	-329	-179	-509
Other changes										
Transfer to development fund	0	0	0	0	0	0	0	0	0	0
Change of translation difference	0	0	0	0	0	-69	0	-69	-21	-90
Other changes	0	0	0	-100	0	0	0	-100	0	-100
Other changes, total	0	0	0	-100	0	-69	0	-168	-21	-189
Closing Balance 30 June 2023	1 000	0	20	21	36 383	-30	-624	36 768	459	37 227



Acquisitions (unaudited)

The purchase price allocation made for the acquired companies in H1 2023 is preliminary.

Solwers Plc consolidated	
EUR thousand	H1/2024
Purchase price	
Cash consideration	3 233
Consideration paid with exchange of shares	409
Contingent consideration	1 444
Purchase price, total	5 086
Acquired identifiable net assets at fair value	
Non-current assets	25
Current assets	
Inventories	179
Trade receivables and other receivables	2 313
Cash and cash equivalents	926
Assets, total	3 443
Non-current liabilities	
Interest bearing	225
Current liabilities	
Interest bearing	57
Deferred tax liabilities	27
Non-interest bearing	1 948
Liabilities, total	2 257
Acquired identifiable net assets at fair value	1 186
Goodwill arisen from acquisitions	3 900
Acquired net assets, total	5 086
Net cash flow from company acquisitions	
Total purchase price	-5 086
Consideration paid with exchange of shares	409
Consideration debt	69
Contingent consideration	1 444
The acquired entities' cash and cash equivalents	926
Net cash flow effect of acquisitions, total	-2 238



Quarterly KPI's (unaudited)

Solwers Consolidated			
EUR thousand	Q2/2024	Q2/2023	Q1/2024
Revenue	20 688	16 984	19 221
Revenue growth-%	21,8 %	-0,2 %	18,6 %
EBITDA	1 967	1 837	1 785
EBITDA-%	9,5 %	8,9 %	9,3 %
EBITA	1 728	1 598	1 531
EBITA-%	8,4 %	7,7 %	8,0 %
EBIT	1 046	1 065	906
EBIT-%	5,1 %	5,1 %	4,7 %
Headcount, average	695	608	704
Headcount, at year end	690	611	698
Equity Ratio, %	43,4 %	46,0 %	44,8 %



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