SOLWERS

Solwers Plc
Board of Directors' Report and Financial Statements 2024

CONTENTS

1 BUSINESS REVIEW

1.1 Solwers in brief

Solwers is a growth-oriented group of expert companies with 29 subsidiaries and over 700 employees in Finland, Sweden and Poland. Solwers companies operate under their unique brands and serve their customers locally in 28 locations, close to clients. The companies specialise in providing services in project management, architectural design, infra and structural design, plant engineering, transmission and distribution, electrical and automation engineering, environmental services and analyses, management consulting in logistics and train transportation and financial management.

Solwers acts as a growth platform for the subsidiaries. The group combines the efficiency, entrepreneurial culture, and flexibility of its companies with the resources and vision of a larger group. Synergy advantage is gained from broader service portfolio, and common projects, as well sales and marketing.

Solwers' operations in their current form began in 2017 and the Company was listed on Nasdaq First North Growth Market Helsinki in June 2021. Since then, the Company has grown on average over 25 per cent annually, primarily through acquisitions.

1.2 Business development 2024

Considering the challenging market environment in 2024, the Company's core business continued to perform well. Order backlog improved towards the end of the year and the billing rate remained at a good level. The revenue grew by 18.6 per cent to EUR 78.3 million (66.0) as a result of acquisitions. The headcount at the end of the year was 724 (635).

While there is positive development at performance of Finnish subsidiaries, the business climate continues to be more favorable in Sweden. For the most part, the subsidiaries in Sweden have a positive impact on business.

Overall, profitability decreased in 2024 due to increased costs. Financial year profit was EUR 1.2 (3.2) million resulting in Earnings per share of EUR 0.11 (0.32).

In 2024, the group level governance costs were up by EUR 1.2 million from the previous year. Most of this is tied to development projects now close to completion. These investments are expected to add value to the business and are considered necessary as the Company continues the growth journey.

Other increased costs include write-downs of doubtful receivables and repayment of government subsidies related to reduction of employer social costs for research and development (FOU) of one subsidiary. These items combined have EUR 1.1 million negative impact on the IFRS EBIT.

Furthermore, the last quarter of the year was impacted by the continued intense price competition and the low number of billable hours in December.

A major client suspending the purchase of consultancy services has taken its toll on the operations at three of our Swedish subsidiaries. The estimated impact is around EUR 0.5 million.

Execution of the acquisition-based growth strategy has continued. During 2024, six new operational companies joined Solwers: WiseGate Consulting, DEMAB, Relitor and Spectra Consult in Sweden, Finexplo and Siren Architects in Finland. All companies support the existing operations and expand the client base. In addition, the Company partnered with One Planet Oy (prev. Kari & Pantsar Co.) of which Solwers owns one third of the shares.

The Company continues to manage business risk by operating in multiple locations and countries. Besides Sweden and Finland, new acquisition targets are being mapped in Poland. The country is expecting to have significant investments in e.g. infrastructure construction and the renewal of the energy industry.

1.3 Key figures

Solwers Consolidated EUR thousand	2024	2023	2022	2021	2020
Revenue	78 280	65 991	62 796	44 662	32 649
EBITDA	6 478	7 952	8 156	5 495	4 970
EBITDA-%	8.3 %	12.0 %	13.0 %	12.3 %	15.2 %
EBITA	5 505	7 039	7 218	4 708	4 427
EBITA-%	7.0 %	10.7 %	11.5 %	10.5 %	13.6 %
EBIT	2 737	4 845	5 091	3 371	3 539
EBIT-%	3.5 %	7.3 %	8.1 %	7.5 %	10.8 %
Net Profit	1 205	3 208	3 574	1 894	2 675
Net Profit-%	1.5 %	4.9 %	5.7 %	4.2 %	8.2 %
Earnings per Share (EPS)	0.11	0.32	0.38	0.23	0.40
Revenue per employee	110	108	105	112	110
Revenue growth, %	18.6 %	5.1 %	40.6 %	36.8 %	26.5 %
Billing rate, %	79.9 %	81.5 %	80.0 %	82.2 %	85.7 %
Adjusted Equity [1)]	40 871	40 408	38 158	31 908	17 869
Net debt	25 088	17 436	13 366	14 119	12 741
Net Debt excluding Leasing Debt	18 977	11 435	9 317	9 802	9 451
Equity Ratio, %	43.4 %	46.4 %	46.7 %	45.4 %	31.8 %
Total Assets	94 095	87 046	81 682	70 354	40 017
Headcount, average during period	709	611	600	397	297
Headcount, at end of period	724	635	582	571	371

[1)] capital loans classified as equity

1.4 Mergers & Acquisitions

In January 2024, Solwers Sweden AB signed an agreement to acquire the entire capital stock of the Swedish WiseGate AB. WiseGates's operating subsidiary WiseGate Consulting AB specializes in energy and process industry consulting and planning, whereas its other operating company DEMAB AB is an automation consulting services rendering company. The companies employ more than 50 experts and operate in eight locations in Sweden.

In January 2024, the Company agreed on a shareholding partnership with Kari & Pantsar Oy (now One Planet Oy) focusing on environmental consulting. Solwers owns one third of the company's shares. The company employs seven climate and environmental experts in Finland.

In January 2024, Solwers Plc expanded its range of services to plant engineering. Solwers Sweden AB signed an agreement to buy the entire capital stock of Relitor Engineering AB. The company employs more than 20 experts in Sweden.

In March 2024, Kalliotekniikka Consulting Engineers Oy acquired the entire stock of Finexplo Oy. Finexplo specializes in rock excavation and products for the mining industry.

In March 2024, Arkman Arkkitehtuuri Oy merged with its parent company Lukkaroinen Architects Oy.

In July 2024, Solwers was strengthened with architectural expertise when Siren Architects, the oldest architectural company in Finland by history, joined the group.

In August 2024, WiseGate AB acquired Spectra Consult AB in Sweden. 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.

In December 2024, Insinööritoimisto Varsinais-Suomen Kalliotekniikka Oy merged with its parent company Kalliotekniikka Consulting Engineers Oy.

1.5 Client profile and examples of interesting projects

The group companies had over 5,500 ongoing projects in 2024, 70 per cent of which are below EUR 10,000 of sales value. Over 60 per cent of the sales is running price work. In total, Solwers companies had around 250 framework agreements.

Some of the biggest clients included Trafikverket - Swedish Transport Administration, Väylävirasto - Finnish Transport Infrastructure Agency, Työyhteenliittymä Laakson LATU, HUS Kiinteistöt and KPO-Kiinteistöt.

As in the previous years, around half of the revenue came from the public sector where infra projects represent around half.

In 2024 our subsidiary Finnmap Infra continued working with Haukipudas-Laurila railway project, estimated to last until the end of 2025. The company is also involved in the next phase of Helsinki Central Railway Station renovation and GeoUnion is involved in Vantaa tramway project. In addition, our subsidiaries work with multiple hospital projects such as Laakso Joint Hospital (LYS), Oulu University Hospital (OYS) and Malmi hospital along with many ongoing school renovation planning projects.

Solwers companies are also involved in projects emphasising sustainability. The energy-efficient Original Sokos Hotel Royal in Vaasa, Finland implemented solutions that reduce the hotel's dependence on traditional energy sources and significantly reduce the carbon footprint. Multiple Solwers companies have been involved with the planning, such as Polyplan, Contria, Insinööritoimisto W. Zenner, Finnmap Infra and Kalliotekniikka Consulting Engineers. Architects Davidsson Tarkela designed the façade for Fortum's emission-free power plant. The design aimed to keep material consumption to a minimum and utilize recyclable solutions. In Sweden, Dreem Architects was involved in the design of Sweden's largest building made of recycled bricks. The bricks alone contribute to 210 tonnes less CO_2 emissions and together with other sustainable solutions the project enables the building to have 2,200 tonnes less CO_2 emissions. Wisegate Consulting is involved in the initial technical planning in VA SYD Maxima sustainable wastewater treatment project through an 8-year framework agreement.

1.6 Other key events during the financial year

Performance share plan

Performance Share Plan 2024-2026 for key employees was introduced in March 2024. The purpose of the plan is to align the interests of the company's shareholders and key employees to increase the company's value in the long term, to retain key employees and to offer them a competitive incentive plan based on earnings and accumulation of the company's shares.

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 for the first measurement period 2024 is tied to EBIT-%.

Stock Exchange list transfer preparations

The Board of Directors decided in April 2024 to investigate the possible transfer of the Company's shares from Nasdaq First North Growth Market Finland to the Main Market of Nasdaq Helsinki Ltd. The transfer was estimated to take place at the earliest during 2024.

The goal of a possible transfer to the Main Market is to increase company awareness among the clients, employees, partners and investors. In addition, the goal is to improve the liquidity of the Company's shares and to achieve a broader owner base.

The preparations for being listed on Nasdaq Helsinki stock exchange have progressed well in 2024. The Company Board carefully evaluates the transfer schedule ensuring that the decision aligns with the long-term strategic goals of the company and the best interest of the shareholders.

Non-controlling interests

The Company strengthened its ownership by redeeming non-controlling interests in Dreem AB, KAM Redovisning AB, Taitotekniikka Oy and Finnmap Infra Oy. In the latter, a minority share of 2.8 percent remains.

Expanding into Poland

In accordance with the Board's decision in October, the Company has established a country company in Poland. Investigations into potential acquisition targets in the region are ongoing.

Changes to the financing agreement

Solwers Plc expanded and amended the Financing Agreement with the Company's principal bank in December. In the agreement, the Company's current loans will be refinanced with a new EUR 24.2 million loan maturing on February 28, 2029. In addition, the Company agreed on a new EUR 10 million credit facility, which will be drawn for acquisition use if needed. In accordance with the terms of the financing agreement, the acquisition limit can be increased later by EUR 5.0 million. The withdrawal period for loans drawn from the acquisition limit ends on February 28, 2027, and the maturity date of the limit is February 28, 2028. The collateral terms and the provisions concerning the determination of interest rates remain unchanged.

The amended Financing Agreement contributes to the company’s ability to continue executing its growth strategy through acquisitions.

Change in Group Management

Toni Santalahti joined the group management as interim General Counsel in December 2024. He is temporarily replacing Olli Kuusi, who is on paternity, and study leave until the end of 2025.

2 STRATEGY AND TARGETS

Solwers' vision is to be the preferred partner in the visionary and sustainable design and engineering. The Company's goal is to continue to grow and expand also geographically.

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's mid-term financial targets are:

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

2.1 Market outlook

We anticipate that the weakest phase of the business cycle is behind us both in Finland and Sweden. The market recovery is likely to be modest in the first months of the year. Nevertheless, the consultancy and planning sector is the first to see positive impacts of the recovery.

With the postponement of large-scale projects as well as housing and office projects in the past years, we can see an increasing number of companies competing for smaller-scale projects both in Finland and Sweden. This shift has led to tough price competition in the market. In recent months, Finland has experienced an encouraging upswing in new orders across house construction, community planning, and industrial sectors. However, it is projected that the revenue for the consultancy and planning sector will maintain a steady course, with no significant changes anticipated during the first half of 2025.[1]

The business climate continues to be more favorable in Sweden where also the interest rates have decreased more.

We expect the transition to fossil-free energy and industrial production to continue growing. This will lead to increased demand for project management services in various areas such as new energy production, energy storage, power transmission grids, and automation solutions. The industrial investments are also anticipated to increase especially in the northern part 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. However, due to the challenging market climate, some layoffs continue to take place. Yet, the share of laid off professionals is still relatively low in the consultancy and planning sector.

Overall, planning and consultancy sector continues to be supported by the megatrend of urbanization, the green transition in Europe, tightening regulation on biodiversity, self-sufficiency in energy production, and the increased orders of the defence equipment industry.[1]

2.2 Solwers outlook for 2025

Market uncertainty is limiting future visibility. As Solwers' operations depend on investments, the Company benefits from the general market recovery that is anticipated to strengthen towards the end of the year 2025. In its operations, the Company focuses on growth through acquisitions in at least three countries, improving organic growth where possible, increasing profitability and cutting costs.

[1] Source: SKOL Business Cycle Review 1/2025

3 REVENUE, PROFITABILITY AND RESULT

Solwers Plc's revenue in January–December was EUR 78.3 (66.0) million. Revenue growth was driven by acquisitions and was 18.6% (5.1). The impact of currency fluctuation was slightly positive.

EBITA was EUR 5.5 (7.0) million whereas EBITA margin decreased to 7.0% (10.7). EBIT in turn decreased to EUR 2.7 (4.8) million whereas EBIT margin was 3.5% (7.3). Variable costs increased by EUR 3.0 million i.e. by 38.3%. Fixed costs increased by EUR 12.0 million corresponding to 23.5%. Personnel costs increased by 20.8% and Other Operating Expenses by 35.9%. Depreciation Increased by 20.4% and Profit for the Financial Year ended up at EUR 1.2 million (3.2) resulting in Earnings per share of EUR 0.11 (0.32).

4 LIQUIDITY, FINANCING AND CAPITAL LOANS

4.1 Liquidity

The Company's liquidity has remained good during the financial period. Cash and cash equivalents amounted at the end of the year EUR 11.6 million (16.0). The Company also has an unutilized EUR 2.0 million credit facility

4.2 Financing structure

At the end of the financial period the Company equity ratio was 43.4% (46.4) while the Company mid-term target is minimum of 40.0 per cent.

Solwers has a Financing Agreement signed in May 2022 with the Company’s principal bank. This agreement was expanded and amended in December 2024. In the agreement, the Company’s current loans were refinanced with a new EUR 24.2 million loan maturing on February 28, 2029. In addition, the Company has agreed on a new EUR 10 million credit facility, which will be drawn for acquisition use if needed. In accordance with the terms of the financing agreement, the acquisition limit can be increased later by EUR 5.0 million. The withdrawal period for loans drawn from the acquisition limit ends on February 28, 2027, and the maturity date of the limit is February 28, 2028

In January a bank loan of EUR 2.3 million was drawn down for acquisition purposes. At the end of the year, interest-bearing liabilities and acquisition-related contingent considerations totaled EUR 37.1 (33.4) million, consisting of loans from credit institutions EUR 20.4 (19.3) million. EUR 9.1 (7.2) million of contingent considerations, leasing debts of EUR 6.1 (6.0) million. Other liabilities amounted to EUR 1.4 (1.0) million.

At the end of the year, the company’s net debt totaled EUR 25.1 (17.4) million.

4.3 Loans granted

At the financial statements date, the total amount of loans granted to the key personnel of the Group companies was EUR 903 (1,018) thousands of which loans to related parties was EUR 105 (126) thousand. The loans have been used for the acquisition of parent company shares aimed at engaging the commitment of key personnel. The loans have been granted on market terms.

4.4 BALANCE SHEET AND FINANCING

Total assets were EUR 94.1 (87.0) million. The increase in non-current assets resulted mainly from an acquisition-driven increase in goodwill. Goodwill amounted EUR 46.9 (42.0) million. Current assets increased due to the increase of Trade and other receivables which ended up to EUR 18.3 (15.3) million. Cash and cash equivalents decreased by EUR 4.3 million as acquisitions were funded more on a cash basis instead of borrowed funds.

Non-current liabilities to credit institutions increased by EUR 1.8 million but current liabilities to credit institutions decreased by EUR 0.8 million.

At the end of the year, interest-bearing liabilities and acquisition-related contingent considerations totalled EUR 37.1 (33.4) million, consisting of loans from credit institutions EUR 20.4 (19.3) million. EUR 9.1 (7.2) million of contingent considerations, leasing debts of EUR 6.1 (6.0) million. Other liabilities amounted to EUR 1.4 (1.0) million.

At the end of the year, the company’s net debt totalled EUR 25.1 (17.4) million whereof cash and cash equivalents amounted to EUR 11.6 (16.0) million.

Provisions and contingent liabilities

In November 2024, Solwers’ Swedish subsidiary ELE Engineering AB received a ruling from the Swedish Tax Authority to repay subsidies of EUR 0.6 million the company has received in years 2022–2023 allowing reduction of social security contributions for certain employees engaged in a number of research and development projects. The amount was repaid in December 2024 in full. The Company finds the ruling unjustified and will file an appeal to reclaim the amount provided. Consequently, the Group has recorded a receivable of equal amount recognized in other current receivables. Due to uncertainty of the appeal and to the number of projects included therein, the Group has recorded a provision of EUR 0.3 million on 31 December 2024 balance sheet.

Solwers' Finnish subsidiary Finnmap Infra Oy received a compensation claim filed with the Helsinki District Court by Kreate Oy. The case was initiated on February 17, 2025. The total amount of the claim is approximately EUR 2.46 million (see Significant events after the reporting period). The Company considers the claim to be unfounded and no provision has been recorded related to the claim.

4.5 Cash flow

Solwers January–December net cash flow from operating activities was EUR 4.3 (4.7) million where the change in the current investment and non-interest-bearing receivables was EUR 1.0 (-1.7) million. Net paid income taxes amounted to EUR -0.8 (-0.5) million and cash flow from net interest paid was EUR -1.2 (-0.9) million.

Net cash flow from investment activities totaled EUR -4.5 (-3.5) million which included acquisition related cash flows of EUR -3.9 (-3.0) million.

Net cash flow from financing activities was EUR -4.0 (-4.3) million. The considerably big gross movement of borrowings resulted from the Company entering into a refinancing agreement with its principal bank in December 2024. Dividends, including payments to non-controlled parties, generated a cash outflow of EUR -0.8 (-0.8) million.

The cash balance at the end of the year EUR 11.6 million (16.0) was still at good level, facilitating the company's acquisition strategy to continue.

5 RISKS AND UNCERTAINTIES RELATED TO THE OPERATIONS

Unfavorable macroeconomic development in the Company’s main market areas in Finland and Sweden can have a significantly detrimental impact on their operating environment and Solwers' business performance.

Negative developments, trade restrictions and general uncertainty in financial markets or the economic and geopolitical situation can have a detrimental effect on the Company's business, business performance, and financial position.

Intense competition in the sectors where Solwers companies operate may adversely affect Company' revenue and weaken its profitability.

Solwers companies may not succeed in pricing their projects correctly or executing them as planned, which may weaken Solwers' profitability and reputation.

The Company may not be able to collect its receivables in a timely manner, which could reduce the Company's cash flows and adversely affect its liquidity.

The possible failure of Solwers companies to maintain good billing and utilization rates may weaken Solwers' profitability.

The Company’s growth strategy based on acquisitions may not be implemented as planned. The arrangements may not be carried out on favorable terms, they may involve liabilities or unforeseen risks that have not been identified or considered in the purchase price. Solwers may not succeed in obtaining sufficient financing for them, and the different operating practices of the acquisition targets may increase the vulnerability of the Company's reporting and monitoring.

Cultural differences and inconsistent practices of Solwers' acquisition targets may cause Solwers additional costs, complicate business operations, and weaken employee satisfaction.

Possible failure of Solwers companies in engaging and recruiting management and personnel can have a significantly detrimental impact on the implementation of Solwers' growth strategy, revenue, and business performance.

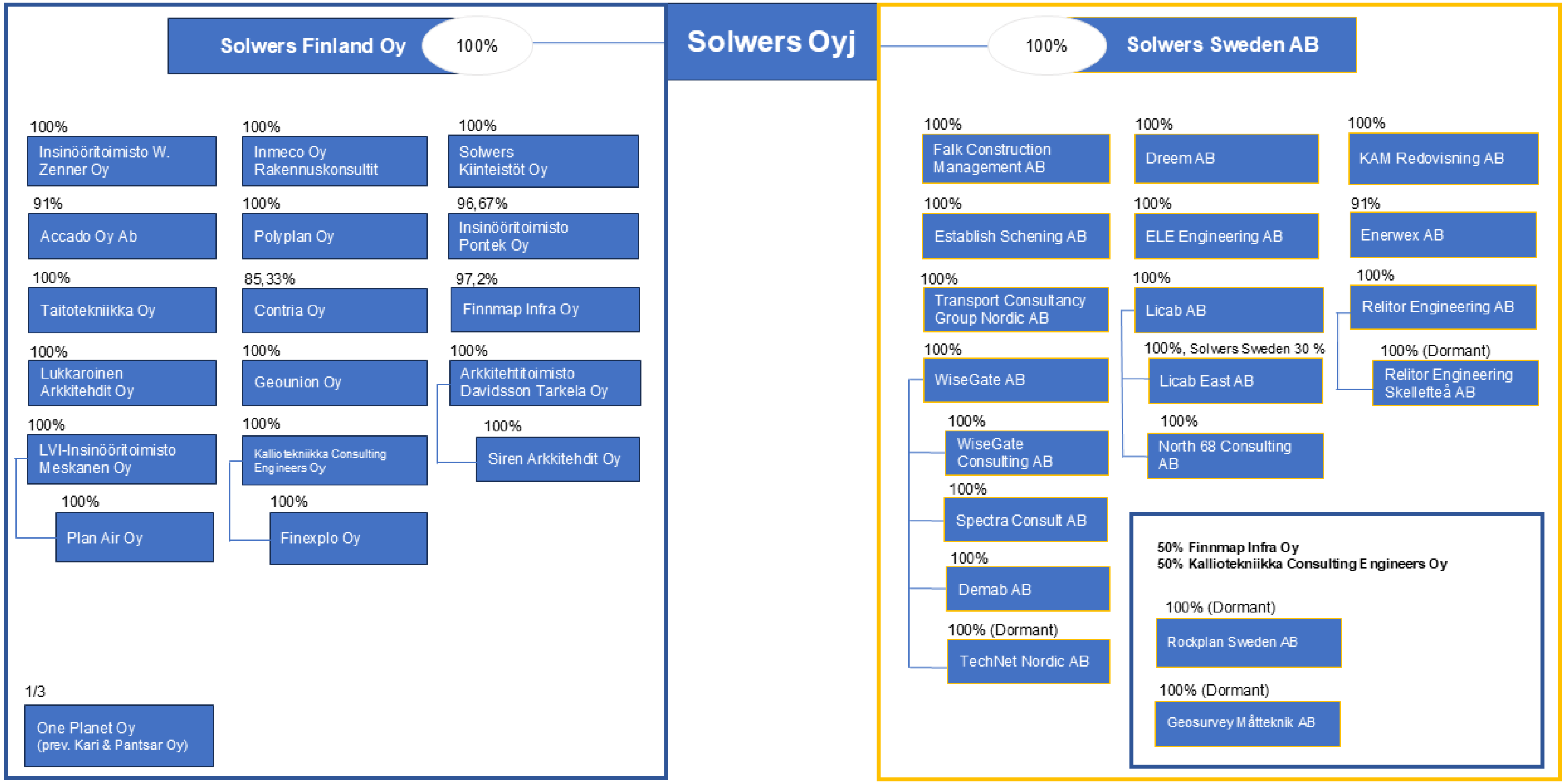
Possible design errors, delays, and other mistakes in projects can lead to significant compensation claims, and such claims and related legal proceedings can result in additional costs and undermine the reputation of subsidiaries and, consequently, Solwers.

Malfunctions, disruptions, faults, or cybersecurity breaches affecting subsidiary IT systems can lead to significant disruptions in their business operations, have a significantly detrimental impact on the continuity of Solwers' services and its reputation, and can cause unexpected costs.

Solwers may not succeed in obtaining sufficient debt financing to implement its growth strategy.

6 GROUP STRUCTURE

Solwers Plc's directly owned subsidiaries and holdings in them on December 31, 2024, are shown in the figure below.



7 PERSONNEL AND REMUNERATION

The Company follows the Finnish Corporate Governance Code 2025 (the CG code) in remuneration policy as well as in remuneration reporting. The Finnish Corporate Governance Code is publicly available on the website of the Finnish Securities Market Association.

7.1 Number of employees and salary expenses

The average number of employees during the financial year was 709 (611), with the parent company having an average of 5 (4) employees. At the end of the reporting period, the total headcount was 724 (635) people. Solwers companies' wages and salaries amounted EUR 37.4 million (31.5) whereof parent company expenses were EUR 1.0 million (0.6)

7.2 Remuneration of the group's key personnel

The group's key personnel are paid a fixed monthly salary and variable annual performance-related bonuses within the framework of the group's incentive system. The remuneration of key personnel is reviewed annually. Over 40 key personnel of the company, including members of the group management team, the CEO, and key personnel of subsidiaries, are involved in the performance-based stock reward program launched in November. Participants can earn shares of Solwers Plc based on performance. The performance criterion for the first measurement period in 2024 is tied to the EBIT percentage.

The Company's board decides on the CEO's remuneration annually. In 2024 a gross total of EUR 218,285 (171,780) including fringe benefits and supplementary pension insurance was paid to the CEO whereas the Chairman of the Board received EUR 65,500 (62,600) gross.

7.3 Related party transactions

Related party transactions include transactions between Group companies and the members of the Board of Directors, the key members of the Company's management as well as their family members or companies under their control.

No guarantees or commitments has been made on behalf of the related parties. A total of EUR 106 (106) thousand, stemming from the directed share issue aimed at the engagement of key personnel in connection with the year 2021 initial public offering, was owed by the related parties at the end of the financial year.

8 MANAGEMENT AND AUDITOR

8.1 Board of Directors

The Board of Directors consists of five members: Leif Sebbas (Chairman of the Board), Hanna-Maria Heikkinen, John Lindahl, Emma Papakosta and Johanna Grönroos. The introduction of the board members is available online at: https://solwers.com/governance/#board

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

8.2 Group Management

The group executive management team consists of four members: CEO Stefan Nyström, CFO Teemu Kraus, Head of Group Communications Jasmine Jussila and General Counsel Toni Santalahti.

In addition, Solwers has country management teams responsible for operations in Finland and Sweden. Country management teams include the senior management of Solwers Plc and the Managing Directors of the subsidiaries.

8.3 Shareholders' Nomination Board

The task of the Shareholders' Nomination Committee is to prepare and present proposals for 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 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 Shareholders' Nomination Committee consists of representatives of the three largest shareholders, registered on September 2, 2024, as well as a board representative:

- Leif Sebbas, Chair of the Board, nominated by FME Consulting Oy
- Dag Nykvist, Managing Director, nominated by CEB Invest Oy
- Erkka Kohonen, Senior Portfolio Manager, nominated by Varma Pension Insurance Company
- John Lindahl, Member of the Board, nominated by Solwers Plc

In its organizing meeting on October 28, 2024, the Shareholders' Nomination Committee elected Dag Nykvist as its Chair.

8.4 Auditor

The Company's auditor is the audit firm Grant Thornton Ltd, with APA, ASA Satu Peltonen as the principal auditor. Additionally, Grant Thornton Ltd serves as the Company's sustainability reporting assurer, with APA, ASA Satu Peltonen as the responsible assurer. The Annual General Meeting also selected an Auditor for the Company's Sustainability Statement, but since the Company was not obliged to publish or assure the report, this assurance was not carried out.

8.5 Annual General Meeting and the currently valid authorizations of the Board of Directors

The Annual General Meeting 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 board 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. The term of the members of the Board of Directors ends at the close of the next Annual General Meeting. Mari Pantsar, who has served as a member of the Board since 2019, announced that she was no longer available to serve as a member of the Board.

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.

Auditor and Sustainability Auditor

The Annual General Meeting re-elected the firm of authorized 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 sustainability auditor responsible. 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 authorize the Board of Directors to decide on the issuance of new shares or treasury shares in two parts as follows:

- **Share issue authorization 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 authorization 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 authorization 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 authorizations, the Board of Directors may also decide on a direct issue, i.e. an issue deviating from the pre-emptive subscription rights of the shareholders.

In both authorizations, the Board of Directors would be authorized to decide on the terms of the issuance of shares and option rights and other special rights. The Board of Directors was authorized to resolve on all terms of the share issues. The authorizations 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 authorize the Board of Directors to decide on repurchase or acceptance as a 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 authorization. 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 authorization, 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 authorization is in force until the next Annual General Meeting, but not beyond 30 June 2025.

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 for 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

9 SUSTAINABILITY

The Company's vision is to Solwers' vision is to be a preferred partner for its clients in visionary and sustainable design and engineering. Solwers is a responsible owner and supports the growth, development, and success of its subsidiaries. In addition to financial evaluations, the Company considers sustainability aspects when making new investment and acquisition decisions. Since 2021 the Company has participated in the UN Global Compact initiative.

As a First North listed company, Solwers Plc is not obliged to publish a Sustainability Statement of the year 2024. However, the Company has initiated the CSRD reporting process with a dual-materiality analysis with stakeholder interviews and questionnaires. The scope of work has included climate scenario workshops and increasing internal awareness with subsidiary management training. In addition, the Company has completed initial calculations for Scope 1-2 Co2 emissions according to GHG protocol.

9.1 Environment

Considering the nature of the consultancy business, the companies' own carbon footprint can be considered small. The company strives to have a positive handprint, i.e. enabling positive environmental impacts of the clients and ultimately across the value chain. The bounds and eventual implementation for sustainable design choices are not determined by subsidiaries independently but are decided in dialogue with clients and other project partners.

The current sustainability services include sustainable solutions for low-emission construction, circular economy, strengthening biodiversity and climate change adaptation. Environmental expertise is used in different phases of planning, infrastructure, and construction projects, for example recycling building materials, optimizing the energy consumption and environmental effects of the building's life cycle as well as by planning organic green environments. Examples of projects where sustainability is emphasized are mentioned above in section 1.5 Client profile and examples of interesting projects.

The green transition and increasing regulation concerning biodiversity open new business opportunities for Solwers companies. The Company has established an internal ESG group with representatives from each of the subsidiaries to support the strategic development of sustainable products and to identify business opportunities. During 2024 the ESG group focused on three themes: emission calculations, use of materials and environmental services.

Several Solwers companies have an environmental program in place, and many of the subsidiaries have also obtained environmental and quality accreditations such as EcoVadis GOLD (ELE Engineering AB), Ekokompassi (Architects Davidsson Tarkela Oy and Finnmap Infra Oy), ISO 14001 environmental management system accreditation (Falk Construction Management AB, Dreem Architects AB, ELE Engineering AB).

9.2 Social responsibility

The well-being of the personnel is a key at Solwers. To support continuous development and promote positive employee experience, the group regularly organizes versatile training. Our concept of light integration of subsidiaries enables a sense of independence and agility while being part of a larger multidisciplinary team of experts. As an example, employee benefits vary between the group companies, depending on what is considered meaningful at each company.

In 2024, 66 per cent of employees replied to the employee survey. The employee net promotion score (eNPS) in the group was +25 (33), which is classified as very good[2].[2] The variation in results between the subsidiaries was significant. The lower scores were emphasized in those subsidiaries where redundancies or layoffs had taken place, or where the workload had temporarily been imbalanced. We recognize the impact of job

[2] Employee Net Promoter Score (eNPS) tells how willing employees are to recommend the company as a place of employment to their friends or colleagues. eNPS gives a value between -100 and 100, and the result below 0= room for improvement, 0-20= good, 20-50 very good, above 50 excellent. Source: eletive.com

satisfaction on our performance and strive to improve it further. At the end of the reporting year, the group initiated 360 leadership evaluations, especially at subsidiaries where the eNPS results indicated room to improve.

The Company is committed to being good corporate citizen and contributes to the well-being of the surrounding society. In 2024, we continued monetary support to Hyvä Mieli fundraiser for low-income families in Finland and the children's cancer fund Barncancerfonden in Sweden.

9.3 Governance

The Company operates openly and transparently, following good governance and promoting the diversity of the working community. The group has common Code of Conduct principles and an anonymous whistleblowing reporting channel in Finland and Sweden. No incidents were reported through the channel in 2024. During the reporting period, the Company has developed its internal control environment and advanced risk management development projects.

For the subsidiaries, the group strives to be a growth platform and enabler. Solwers is a long-term and committed owner and partner that supports the development opportunities of the personnel.

Solwers' Board of Directors was shortlisted as a TOP3 finalist in the Board of the Year 2024 competition organized by Nordic Listed Leaders. The evaluation criteria included sustainability actions and the diversity of the Board as well as the financial performance of the Company.

10 SHARES AND SHAREHOLDERS

Solwers Plc's shares are listed on the Nasdaq First North Growth Finland marketplace maintained by Nasdaq Helsinki Ltd under the trading symbol SOLWERS.

The Company's registered share capital is EUR 1,000,000 and the number of issued shares is 10,170,508. The company has one series of shares.

Each share entitles its owner to one vote at the annual general meeting. Shares have no nominal value.

10.1 Changes in the number of shares

In connection with the acquisition of WiseGate AB, part of the purchase price was agreed to be paid with Solwers Plc shares. The total number of shares directed at the sellers was 31,267. The registration of new shares took place in February 2024. New shares are subject to a 12-month lock-up restriction.

In connection with the acquisition of Relitor AB, part of the purchase price was agreed to be paid with Solwers Plc shares. The total number of shares directed at the seller was 58,071. The registration of new shares took place in February 2024. New shares are subject to a 24-month lock-up restriction.

In connection with the acquisition of Siren Arkkitehdit Oy, part of the purchase price was agreed to be paid in Solwers Plc shares. The total number of shares directed at the seller was 103,632 shares. The registration of new shares took place in September 2024. New shares are subject to a 9-month lock-up restriction.

In connection with the acquisition of Spectra Consult AB, part of the purchase price was agreed to be paid with Solwers Plc shares. The total number of shares directed at the seller was 62,471. The registration of new shares took place in October 2024. New shares are subject to a 12-month lock-up restriction.

10.2 Trading in 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.

During the financial year, the highest price of the company share denominated was EUR 5.00, the lowest price was EUR 2.92 whereas the average price was EUR 3.79. The closing price of the company's share on 31 December 2024 was EUR 3.22. Solwers Plc's market capitalization at the end of the financial year was EUR 32.7 million (47.8).

10.3 Largest shareholders

On December 31, 2024, a total of 2,192 (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 available at the company website at https://solwers.com/for-investors/share/#shareholders and listed in the following table:

Name	***Shares***	***Shareholding%***
FME CONSULTING OY	3,367,761	33.11
CEB INVEST OY	1,091,156	10.73
KESKINÄINEN TYÖELÄKEVAKUUTUSYHTIÖ VARMA	427,653	4.20
SIJOITUSRAHASTO SÄÄSTÖPANKKI PIENYHTIÖT	375,117	3.69
ERIKOISSIJOITUSRAHASTO AKTIA MIKRO MARKKA	310,281	3.05
SEBBAS LEIF OLAV	286,340	2.82
ELO KESKINÄINEN TYÖELÄKEVAKUUTUSYHTIÖ	280,000	2.75
NYSTRÖM STEFAN	247,000	2.43
FONDITA EUROPEAN MICRO CAP INVESTMENT FUND	127,526	1.25
SIJOITUSRAHASTO EQ EUROOPPA PIENYHTIÖ	106,069	1.04
10 largest shareholders in total	**6,618,903**	**65.08**
Nominee registered shares	1,352,848	13.30
Others	2,198,757	21.62
TOTAL	**10,170,508**	**100.00**

12 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On February 1, the Company issued a negative profit warning regarding EBIT being lower than anticipated at the end of 2024. The Company anticipated, based on preliminary and unaudited information, that the Group's IFRS EBIT for the last quarter was close to zero (EUR 1.45 million). Although the Company had not provided a numerical guidance, the level of anticipated EBIT level was lower than what could be concluded from previously published information.

The Company's subsidiary Finnmap Infra Oy received a compensation claim filed on 17 February with the Helsinki District Court by Kreate Oy. The total amount of the claim is approximately EUR 2.46 million. In addition, Kreate Oy has demanded payment of party costs and legal fees incurred due to the claim process. The parties have been in settlement negotiations since 2023. Solwers considers the claim to be unfounded and will dispute the claims in their entirety, both in terms of their basis and amount. Finnmap Infra Oy will present its own compensation claims to Kreate Oy. Solwers does not see the claim having a significant impact on the group's operations. The company also has liability insurance taken out on standard terms, which is intended to cover costs resulting from any possible design errors.

The Shareholders' Nomination Committee's proposals for the Annual General Meeting were published on March 12. The Nomination and Remuneration Committee of the board proposes re-election of current board members Leif Sebbas, Hanna-Maria Heikkinen, John Lindahl, Emma Papakosta and Johanna Grönroos for the term of the office ending at the close of the next Annual General Meeting. The Committee also proposes that the Board of Directors and its committees receive the same fees as in the previous term. In addition, reasonable travel expenses incurred in connection with board and committee work, as well as other possible costs, will be reimbursed in accordance with the Company's usual practice. The proposed fees correspond to the fees paid for the expiring term. The Shareholders' Nomination Committee proposes to the General Meeting that the charter of the Nomination Committee to be amended so that the shareholders entitled to appoint as a member to the Nomination Committee are determined based on the Company's shareholder register maintained by Euroclear Finland Oy on May 31 of each year (previously September 1). The proposals of the Nomination Board will be included in the notice to the Annual General Meeting 2025.

The company announced on March 17 that the CEO Stefan Nyström had informed the Board of Directors that he will step down from his position by the spring of 2026 upon reaching retirement age. The Company will begin the recruitment process to appoint a new CEO. Stefan Nyström is one of Solwers' co-founders and has served as the Company's CEO since 2019. He will continue in his role until a new CEO has been recruited and the duties have been smoothly transferred to his successor.

13 THE BOARD'S PROPOSAL FOR THE DISTRIBUTION OF PROFIT

At the end of the financial year 2024, the distributable assets of the group's parent company Solwers Plc's distributable funds amounted to EUR 37,798,201.49, of which the profit for the financial year was EUR 36,152.34.

The Board of Directors proposes to the Annual General Meeting that the profit for the financial year be transferred to the retained earnings and that a dividend of EUR 0.024 per share, corresponding to EUR 244,092.19 in total, be paid from retained earnings.

Solwers Plc

Financial Statements 2024

CONSOLIDATED (IFRS)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS

EUR thousand	NOTE	2024	2023
REVENUE	**2.1**	**78,280**	**65,991**
Other operating income	2.2	2,373	1,072
Materials and services	2.3	-11,095	-8,022
Personnel expenses	2.4	-50,716	-41,993
Amortization, depreciation and impairment	2.5	-3,741	-3,107
Other operating expenses	2.6	-12,365	-9,096
OPERATING PROFIT		**2,737**	**4,845**
Financial income	2.7	550	334
Financial expenses	2.7	-1,851	-1,300
Share of the result of participating interests			
PROFIT BEFORE TAXES		**1,435**	**3,878**
Income taxes	2.8	-231	-670
PROFIT FOR THE FINANCIAL YEAR		**1,205**	**3,208**
Profit for the financial year attributable to			
Parent company shareholders	*2.9*	*1,144*	*3,155*
Non-controlling interest		*60*	*53*
Earnings per share (EUR)			
Earnings per share, non-diluted	*2.9*	*0.11*	*0.32*
Earnings per share, diluted	*2.9*	*0.11*	*0.32*
Average number of shares during the financial year			
Non-diluted	*2.9*	*10,037,810*	*9,896,086*
Diluted	*2.9*	*10,037,810*	*9,896,086*

EUR thousand	NOTE	2024	2023
Other comprehensive income			
Prior years adjustments			
Items recognized in retained earnings		-	-129
Items related to net investments in foreign subsidiaries			
FX rate differences		-752	64
Deferred taxes		150	-13
Items that may later be recognized through profit or loss			
Translation differences		-74	134
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**529**	**3,264**
Total comprehensive income for the financial year attributable to			
Parent company shareholders		*468*	*3,212*
Non-controlling interest		*60*	*53*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, IFRS

EUR thousand	Note	31 December 2024	31 December 2023
ASSETS			
NON-CURRENT ASSETS			
Goodwill	3.2	46,901	42,000
Intangible assets	3.3	3,025	984
Tangible assets	3.4	7,379	7,295
Investments in associated companies and joint ventures	3.5	341	-
Investments	3.5	1,889	1,889
Loan receivables	4.1	903	1,018
Trade and other receivables	3.7	312	307
Deferred tax assets	2.8	2,027	1,226
NON-CURRENT ASSETS, TOTAL		**62,777**	**54,719**
CURRENT ASSETS			
Inventories	3.6	552	146
Trade and other receivables	3.7	18,302	15,335
Income tax receivables	2.8	153	8
Securities and other financial assets	4.1	679	885
Cash and cash equivalents	4.1	11,631	15,953
CURRENT ASSETS, TOTAL		**31,317**	**32,327**
ASSETS, TOTAL		**94,095**	**87,046**

EUR thousand	Note	31.12.2024	31.12.2023
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to owners of the parent			
Subscribed capital	4.3	1,000	1,000
Share premium account	4.3	20	20
Other restricted reserves	4.3	535	90
Invested unrestricted equity reserve	4.3	37,418	36,383
Retained earnings		1,717	2,369
Equity attributable to owners of the parent, total		**40,690**	**39,862**
Non-controlling interests		181	546
EQUITY, TOTAL		**40,871**	**40,408**
LIABILITIES			
Non-current liabilities			
Loans and credit facilities	4.1	19,612	18,095
Lease liabilities	4.1	3,162	3,451
Deferred tax liabilities	2.8	973	456
Trade and other payables	3.8	526	6,796
Non-current liabilities, total *)		**24,272**	**28,797**
Loans and credit facilities	4.1	2,081	2,140
Lease liabilities	4.1	2,949	2,550
Provisions	3.9	321	-
Trade and other payables	3.8	23,541	12,885
Income tax liabilities	2.8	59	265
Current liabilities, total *)		**28,951**	**17,840**
EQUITY AND LIABILITIES, TOTAL		**94,095**	**87,046**

*) Disaggregation of liabilities to non-current and current on the statement of financial position has been specified in accordance with IAS 1. The comparative period information has been adjusted accordingly.

CONSOLIDATED CASHFLOW STATEMENT, IFRS

EUR thousand	Note	2024	2023
Cash flow from operating activities			
Profit for the financial year		1,205	3,208
Adjustments			
Amortization, depreciation and impairment	2.5	3,741	3,107
Financial net	2.7	1,301	966
Income tax	2.8	231	670
Other adjustments		24	85
Cash flow before change of working capital		6,502	8,037
Change of working capital			
Change of inventories	3.6	-205	22
Change of current investments and non-interest bearing receivables	3.7	957	-1,690
Change of current non-interest bearing payables	3.8	-620	-171
Change of net working capital, total		**131**	**-1,839**
Financial net and income tax			
Net interest paid		-1,226	-909
Other financial items paid and received (net)		-235	-66
Income tax paid		-835	-550
		-2,296	**-1,525**
Net cash flow from operating activities		**4,337**	**4,673**

EUR thousand	Note	2024	2023
Cash flow from investment activities			
Investment in non-current assets (net)		-632	-436
Business combinations	3.1	-3,884	-3,009
Net cash flow from investment activities		**-4,516**	**-3,445**
Cash flow from financing activities			
Loans withdrawn	4.1	20,163	2,304
Repayment of loans and other interest bearing debts	4.1	-19,237	-2,442
Repayment of leasing debt	4.1	-2,973	-2,271
Repayment of non-interest bearing debt (conditional consideration liabilities)	4.1	-415	-508
Acquisition of non-controlling interest	3.1	-759	-555
Dividends paid		-758	-799
Net cash flow from financing activities		**-3,978**	**-4,271**
Change of cash and cash equivalents	4.1	**-4,157**	**-3,043**
Cash and cash equivalents, opening balance 1 January		15,953	18,482
Impact of cash held in foreign currencies		-165	514
Cash and cash equivalents, closing balance 31 December		**11,631**	**15,953**

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY, IFRS

Solwers Consolidated
EUR thousand

FINANCIAL YEAR 2024

TOTAL EQUITY												
EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS												
	Note	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 January	**4.3**	**1,000**	**0**	**20**	**90**	**36,383**	**176**	**2,193**	**39,862**	**546**	**40,408**
Comprehensive income											
Profit for the period		-	-	-	-	-	-	1,144	**1,144**	60	**1,205**
Other comprehensive income											
FX differences from net investments in foreign subsidiaries		-	-	-	-	-	-	-752	**-752**	-	**-752**
Deferred taxes		-	-	-	-	-	-	150	**150**	-	**150**
Change of translation difference		-	-	-	-	-	-74	-	**-74**	-	**-74**
Total comprehensive income, net of tax		**-**	**-**	**-**	**-**	**-**	**-74**	**542**	**468**	**60**	**529**
Transactions with equity holders											
Business combinations	3.1	-	-	-	22	1,035	-	-59	**998**	-	**998**
Redemption of non-controlling interest	3.1	-	-	-	-	-	-	-316	**-316**	-366	**-682**
Dividend distribution	4.3	-	-	-	-	-	-	-640	**-640**	-59	**-699**
Transactions with equity holders, total		**-**	**-**	**-**	**22**	**1,035**	**-**	**-1,015**	**42**	**-425**	**-383**
Other changes											
Transfer to development fund		-	-	-	423	-	-	-423	**0**	-	**0**
Share-based payments arrangements	2.4	-	-	-	-	-	-	88	**88**	-	**88**
Other changes *)		-	-	-	-	- 1	-	230	**229**	-	**229**
Other changes, total		**-**	**-**	**-**	**423**	**- 1**	**-**	**-105**	**317**	**0**	**317**
Closing Balance 31 December		**1,000**	**0**	**20**	**535**	**37,417**	**102**	**1,615**	**40,689**	**181**	**40,871**

*) Other changes includes an adjustment of EUR 0.3 million to the purchase price allocation calculation for a company acquired in 2023.

Solwers Consolidated
EUR thousand

FINANCIAL YEAR 2023

TOTAL EQUITY												
EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS												
	Note	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 January	**4.3**	**1,000**	**0**	**20**	**120**	**35,989**	**38**	**336**	**37,504**	**654**	**38,158**
Comprehensive income											
Profit for the period		-	-	-	-	-	-	3,155	**3,155**	53	**3,208**
Other comprehensive income											
Adjustment to previous year retained earnings		-	-	-	-	-	4	-133	**-129**	-	**-129**
FX differences from net investments in foreign subsidiaries		-	-	-	-	-	-	64	**64**	-	**64**
Deferred taxes		-	-	-	-	-	-	-13	**-13**	-	**-13**
Change of translation difference		-	-	-	-	-	134	-	**134**	-	**134**
Total comprehensive income, net of tax		**-**	**-**	**-**	**-**	**-**	**138**	**3,073**	**3,212**	**53**	**3,264**
Transactions with equity holders											
Business combinations	3.1	-	-	-	-	394	-	-	**394**	-	**394**
Redemption of non-controlling interest	3.1	-	-	-	-	-	-	-284	**-284**	-70	**-354**
Dividend distribution	4.3	-	-	-	-	-	-	-724	**-724**	-91	**-815**
Transactions with equity holders, total		**-**	**-**	**-**	**-**	**394**	**-**	**-1,008**	**-614**	**-161**	**-775**
Other changes											
Transfer to development fund		-	-	-	-30	-	-	30	**0**	-	**0**
Other changes	2.4	-	-	-	-	-	-	-238	**-238**	-	**-238**
Other changes, total		**-**	**-**	**-**	**- 30**	**-**	**-**	**-208**	**-238**	**-**	**-238**
Closing Balance 31 December		**1,000**	**-**	**20**	**90**	**36,383**	**176**	**2,193**	**39,862**	**546**	**40,408**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

Contents

1 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

1.1 GENERAL INFORMATION

Solwers is a Group formed by companies specialising in technical consulting and engineering. Parent company Solwers Plc is a public Finnish Company founded under Finnish Law. Business ID of Solwers Plc is 0720734-6 and company's registered head office is in Espoo at Kappelikuja 6 B, and domicile is Kauniainen, Finland. Solwers Plc and its subsidiaries form Solwers Group ("Solwers" or "the Group"). The shares of the parent company Solwers Plc have been listed on Nasdaq First North Growth Finland marketplace maintained by Nasdaq Helsinki Ltd.

These consolidated financial statements for the year ended December 31, 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 20 March 2025. The shareholders have the power to amend the financial statements after issuance.

Basis of preparation

The Group's financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), with the application of the IAS and IFRS interpretations in force on 31 December 2023. International Financial Reporting Standards refer to the standards and their interpretations approved for application in the EU in accordance with the procedure stipulated by Regulation (EC) No 1606/2002. The notes to the consolidated financial statements also comply with the provisions of Finnish accounting and corporate legislation that supplement the IFRS regulations.

The consolidated financial statements have been prepared under the historical cost convention unless otherwise mentioned in the accounting policies. The information in the financial statements is presented in thousands of euros unless otherwise mentioned.

Preparing financial statements in accordance with IFRS requires the Group's management to make certain estimates and judgement-based decisions. Information on the judgements made by the management in the application of the Group's accounting policies, which also have a significant impact on the figures presented in the financial statements, is given under the heading "Estimates subject to management judgement and sources of material estimate uncertainties included in such estimates."

New Standards

As of 1 January 2024, the Group has applied the following new and revised standards and interpretation which did not materially impact Group reporting:

- Amendment to IAS 1 Presentation of Financial Statements, clarifies the classification of liabilities as current or non-current, particularly when covenants are involved. The classification of liabilities as current or noncurrent is based solely on an entity's right to defer settlement for at least 12 months after the reporting date. The right needs to exist at the reporting date. Only covenants which an entity must comply on or before the reporting date affect the classification as well. Covenants that an entity needs to comply with after the reporting date do not impact the classification at reporting date. The amendment had no material impact on the Group's financial statements.

- Amendment to IFRS 16 Leases addresses how a seller-lessee should account for lease liabilities in sale-and-leaseback transactions. The amendment clarifies that a seller-lessee must include variable lease payments when measuring the lease liability. The amendment had no impact on the Group's financial statements.

- Amendment to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments, Disclosures requires about Supplier Finance Arrangements requires an entity (the buyer) to disclose qualitative and quantitative information about its supplier finance arrangements, such as terms and conditions including extended terms and security or guarantees provided. The amendment had no impact on the Group's financial statements.

New Standards and amendments that will enter force during the financial year 2025 or later.

In addition to the standards and interpretations presented in the financial statements for 2024, the Group will adopt the following standards, interpretations and amendments to standards published by the IASB during financial periods beginning on or after 1 January 2025. The Group will adopt each standard on the effective date, or if the effective date is not the first day of a reporting period, as of the beginning of the following reporting period, provided that they are approved by the EU.

- Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rate applies when one currency cannot be exchanged into another. This standard is effective for annual periods on or after 1 January 2025 and the Group estimates that this amendment does not impact on the Group's financial statements.

- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments, Disclosures clarify financial assets, and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date. They also provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features. These amendments are effective for annual periods on or after 1 January 2026. Group estimates that this amendment does not have material impact on the Group's financial statements.

- New standard IFRS 18 Presentation and Disclosure in Financial Statements replaces the current IAS 1 standard as of 1 January 2027. The changes which mostly affect the statement of income, include the requirement to classify income and expenses into three new categories, operating, investing and financing and present subtotals for operating profit or loss and profit or loss before financing and income taxes. New standards also provided enhanced guidance for aggregation or disaggregation of information in financial statements and introduces new disclosure requirements for management-defined performance measures (MPMs). The Group assesses impact of IFRS 18 during financial year 2025.

- New standard IFRS 19 Subsidiaries without Public Accountability: Disclosures is a voluntary standard that applies to entities without public accountability, but whose parents prepare consolidated financial statements under IFRS Accounting Standards. This standard is effective for annual periods on or after 1 January 2027. This standard will not impact on entities' financial statements in the Group, based on the Groups current analysis.

Principles of consolidation

These consolidated financial statements comprise the parent company Solwers Plc and all its subsidiaries and subgroup companies. Subsidiaries are defined as companies over which Solwers has control. Control exists when Solwers is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Acquisition of subsidiaries are accounted for using the acquisition method. The consideration transferred is measured as the aggregate of acquisition date fair values of assets transferred and liabilities assumed. Identifiable assets acquired and liabilities assumed are measured initially at acquisition date fair values. The excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, subsidiaries' accounting policies have been changed to ensure consistency with the policies the Group has adopted.

Associated companies are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. The Group's interests in associated companies are accounted for using the equity method of accounting. The Group's share of the profits of the associated companies is presented as a separate line after operating profit in the consolidated statement of income.

Items in foreign currencies

The consolidated financial statements are presented in euros, which is the functional and presentation currency of the Group's parent company. Transactions in foreign currencies are recorded in euros at the exchange rate on the transaction date. In practice, the Group uses an exchange rate corresponding approximately to the exchange rate of the transaction date. At the end of the financial year, receivables and payables denominated in foreign currencies are measured at the exchange rates effective on the financial statements date.

The statement of income of foreign subsidiaries are converted from their currency to euro using the average exchange rates of the financial year, while their balance sheets are converted into euro using the exchange rates at the financial statements date.

Conversion of profit for the period using different exchange rates for the statement of income and the balance sheet results in an exchange difference that is recognised under other items in the statement of comprehensive income. The year-on-year change in translation differences resulting from the elimination of acquisition costs of foreign subsidiaries and the translation of equity items accrued after the date of acquisition is also recognised under other items in the statement of comprehensive income.

Foreign currency gains and losses from monetary items part of the net investment in a foreign unit are recognised in other comprehensive income and entered on the statement of comprehensive income when the foreign unit is divested.

Estimates and assumptions requiring management judgement

Preparation of the financial statements in accordance with the IFRS Standards requires Solwers's management to make estimates and assumptions regarding the future. In addition, the Group's management uses fair judgement when applying the accounting principles in the preparation of the consolidated financial statements. Although the Group 's management relies on the best estimates available on the date of the financial statements, the actual future events can nevertheless differ from these estimates and assumptions.

More information on the most significant items requiring management's judgement:

Revenue (Note 2.1)
Share-based payments (Note 2.4)
Deferred tax assets (Note 2.8)
Business combinations (Note 3.1)
Goodwill and impairment test (Note 3.2)
Leases (Note 3.4 and 4.1)
Trade receivables (Note 3.7)
Provisions (Note 3.9)
Collateral provided and Contingent liabilities (Note 5.3)

Solwers conducts annual impairment tests for goodwill and intangible assets with an infinite useful life and assesses whether there are indications of impairment. The recoverable amounts of the cash-generating units used in impairment testing are determined on value in use calculations, which require the use of estimates. In connection with the business acquisitions, Solwers assesses the achievement of the performance targets affecting the amount of contingent consideration liabilities.

When the Group records expected credit losses from the trade receivables, the management uses judgement in defining the credit loss matrix. When Solwers recognises deferred tax assets, it assesses whether there is future taxable income against which the tax assets can be utilised.

For Leases the management of each Solwers company is responsible for estimating the minimum lease period for open-ended office rental contracts where Solwers company is the lessee. In addition, the management of each Solwers company also follows and assesses whether there is a need to recognise a provision for warranty costs for post-project work or does the company have any other actual obligations, the fulfilment of which would lead to the loss of financial resources, and which can be reliably estimated. If the group's management is unable to reliably estimate the amount of the provision, the group presents information about the obligation under note 5.3 Collateral and Contingent Liabilities as an off-balance sheet item.

During financial period 2024 Solwers also entered into share-based payment agreement. The Group's management revises the assessment of meeting the vesting conditions set for the plan and the amount of share-based payment awards that are expected to be forfeited before the plan vests (for more details see note 2.4).

1.2 SEGMENT REPORTING

Business model and strategy of the Group is to seek growth through business combinations. The Group operates in two geographical areas, Finland and Sweden, providing planning and product management services including architecture, technical consulting, electrical, automation and power transmission planning, environmental impact monitoring, project management and monitoring, circular economy, financial management and digital solutions, as well as logistics solutions in Finland and Sweden.

Solwers' monitors the profitability of the Group's operations as a whole covering all Group companies in all geographical areas of the Group. All significant operational and resource allocation decisions are made by the Board of Directors of Solwers Plc, which has therefore been identified as the Chief Operating Decision Maker (CODM).

Due to the business model of Solwers, the nature of its operations and its governance structure, the Group as a whole is considered the relevant operating segment to be reported. For IFRS 8 entity-wide disclosures see notes 2.1, 3.3 and 3.4.

2 FINANCIAL PERFORMANCE

2.1 REVENUE

Revenue and revenue recognition

Solwers offers a wide range of design and project management solutions for building individual and sustainable environments in Finland and Sweden. Solwers companies are specialised in providing architecture, technical consulting, environmental monitoring, project management, circular economy, electrical and automation engineering and digital solutions. Solwers provides services that are comparable to various types of consulting services. In addition, two subsidiaries offer financial administration services.

Solwers presents revenue net of discounts and any other deductions in the contract value. Revenue recognized is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Solwers reports revenue by geographical area: Finland and Sweden.

Accounting Policy

IFRS 15 Revenue from Contracts with Customers is based on the principle that revenue is recognised when the control of the goods and services is transferred to the customer. According to IFRS 15 the contract qualifies as a customer contract when each party's general and specific rights and obligations are described, contract is approved by the parties, each party's enforceable rights and obligations exists, the contract has commercial substance, and it is probable that the consideration to which the entity is entitled to in exchange for the goods or services will be collected. Group does not have a significant financing component in its contracts with customers and it doesn't have contracts that would meet the criterion for combining contracts. The contract term varies from months to years depending on the solutions provided and contract type.

Contract types and performance obligations

Solwers' contracts with customers are primarily time and material-based, making this the most common contract type. Under IFRS 15, these contracts represent performance obligations satisfied over time, as revenue is recognized based on the actual hours worked or activities performed during the reporting period. This approach reflects the company's continuous transfer of control to the customer as services are provided.

In addition to time and material-based contracts, the company also engages in fixed-price contracts, where revenue is recognized over time based on actual costs recorded on the project compared to the total estimated cost for the project, often referred to as percentage of completion method. This method is based on the ratio of costs incurred to date relative to the estimated total costs, ensuring that revenue reflects the project's progress and performance obligations fulfilled.

Furthermore, the company enters into price-capped contracts, which set a maximum billing threshold. For IFRS 15 purposes, these contracts are treated similarly to fixed-price contracts, as they require estimating total revenue and applying a percentage of completion methodology. In all contract types, the company carefully evaluates the nature of its performance obligations to ensure revenue recognition aligns with the transfer of control to the customer, as required by IFRS 15..

The Group's performance obligations primarily consist of consultancy and project management services. The service portfolio includes a variety of professional services such as environmental monitoring, digital, and financial administration services, as well as infrastructure, project, architecture, structural, and HVAC planning.

In addition to providing professional services, a limited number of contracts include performance obligations in the form of providing equipment, i.e. goods, to the customer. If the contract includes a promise of goods delivered, Solwers estimates whether the promised goods are an integrated part of the project or distinct from other promises in the contract and when the control is transferred to the customer.

Timing of revenue recognition

Revenue from consultancy and project management services is recognised over time as the customer receives benefits simultaneously while Solwers provides the services.

For the time and material-based contracts revenue recognition is based on delivered hours or activities in the reporting period. For fixed price projects, revenue is recognised over time based on actual costs recorded on the project compared to the total estimated cost for the project.

Time and material-based projects are recognised as revenue and invoiced on a monthly basis. The fixed-priced projects are typically invoiced based on payment plans. The contract assets reflect the timing differences between the revenue recognition and invoicing.

For contracts that include a promise of goods delivered and in case those are a distinct promise in the contract, the revenue is recognized at a point in time following the transfer of control to the customer. Amount of revenue recognised at point in time is limited.

Variable consideration

When transaction price contains variable price elements like discounts, incentives, performance bonuses or penalties, the Group analyses whether the uncertainty is solved at the time of revenue recognition (hours delivered in time and material-based contracts). When a contract contains a variable consideration, the Group will estimate the most likely amount it is entitled to in the context of the contract. The Group shall include to the transaction price variable consideration to the extent that is highly probable that no significant reversal in the cumulative revenue will occur.

Onerous contracts

When Solwers estimates that a contract is likely to incur a loss, the loss is recorded as a cost and revenue from remaining project or service is recognised with zero margin. When Solwers is not able to determine the progress towards completion properly the revenue is recognised to cover the costs. Any costs incurred related to undelivered performance obligations that the Group expects to be covered fully are recognised as work-in-progress in the statement of financial position. Any contract costs incurring of obtaining a contract are capitalized and recognised as expenses on a systematic basis that is consistent with the pattern of transfer of the goods or services to which the asset relates.

Other principles

When a contract contains assurance-type warranties as post-production work, Solwers either allocates a portion of the contract value to be recognised as revenue over the warranty period, recognises revenue when post-production work is invoiced under a time and material-based arrangement or recognises a provision for the cost when costs cannot be invoiced and recorded as revenue. The method is based on contract terms e.g. whether the warranty is a separate performance obligation or not. The Group has assessed that the amount of assurance-type warranties is limited.

Solwers has not identified obligations to returns, refunds and other similar obligations. Similarly, the Group has determined that its contracts with customers do not contain significant financing components, thus only normal payments terms are applied of the consulting industry.

Contract assets and liabilities:

A contract asset is a right to consideration in exchange for goods or services transferred to the customer when this right depends on something else than the passage of time.

A contract liability is an obligation to transfer goods or services to a customer for which the Group has received consideration from the customer.

The timing of invoicing and receiving consideration may differ from the timing of revenue recognition. Solwers recognises a contract asset when performance obligations are satisfied over time and revenue is recognised based on progress, but the right to invoice is contingent on further performance.

Solwers recognises a contract liability when it has obligation to transfer goods or services to a customer for which it has received consideration from the customer (a prepayment or the invoiced amount is due).

Revenue by country

EUR thousand	2024	2023
Finland	40,752	39,439
Sweden	37,528	26,552
Total	**78,280**	**65,991**

In accordance with the principles set out in the accounting policy, the Group's net revenue consists of revenue based on customer agreements, which is recognised over time. The Group has identified a single operating segment and reports revenues accordingly instead of each product and service, or each group of similar products and services as the necessary information is not available and the cost to develop it would be excessive.

The assets and liabilities related to customer agreements at the balance sheet date and the changes thereof during the financial year are presented in the two tables below. The assets shown in the tables are included in the accrued income shown in Note 3.7, and the liabilities in the advances received are disclosed in Note 3.8.

Customer related assets

EUR thousand	2024	2023
Opening balance 1 January	**3,108**	**2,949**
Decrease related to transfer from contract assets to trade receivables	-3,108	-2,949
Increase related to services provided during the financial year	3,397	3,108
Closing balance 31 December	**3,397**	**3,108**

Customer related liabilities

EUR thousand	2024	2023
Opening balance 1 January	**24**	**27**
Advances received	214	24
Amount recognized as revenue during the period	-24	-27
Closing balance 31 December	**214**	**24**

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied at the reporting date 31 December 2024) is EUR 6 522 thousand.

2.2 OTHER OPERATING INCOME

Accounting Policy

Other operating income includes proceeds from the sales of tangible and intangible assets, changes in fair values of contingent considerations from business combinations, rental income and other income that is not directly attributable to the Group's sales efforts.

Other operating income, break-down by category

EUR thousand	2024	2023
Insurance compensations	42	17
Gain on sale of non-current assets	25	36
Other subsidies from public entities	42	26
Rental income	99	86
Change in fair value of contingent considerations from business combinations	2,078	897
Other tems	87	8
Total	**2,373**	**1,072**

Subsidies received

Accounting Policy

Solwers recognises subsidies when there is reasonable assurance that Solwers will comply with the conditions attached to the grant and that the grant will be received. Subsidies related to income received from public bodies are recognised in the statement of income within the same period in which Solwers recognises the related expenses. When subsidies are received for capitalised items recognised as assets in the statement of financial position, Solwers records them as a reduction in the carrying amount of the asset.

Subsidies from public entities recognized as income during the period mainly include public grants from municipalities in Finland for employment subsidies in the amount of EUR 21 thousand and EUR 17 thousand from government agencies in Sweden for research and development projects. There are no unfulfilled conditions or other contingencies attached to government grants recorded.

2.3 MATERIALS AND SERVICES

Materials and services expenses, break-down by category

EUR thousand	2024	2023
Subcontracting services	-8,498	-6,594
Other variable expenses	-2,596	-1,428
Total	**-11,095**	**-8,022**

During the financial period EUR 249 thousand (EUR -22 thousand) was recognized as income in the statement of income from changes in inventory, included in row "Other variable expenses" above.

2.4 PERSONNEL EXPENSES

Employee benefits

Accounting policy

The Group's pension plans comply with the local regulations and practices in each country of operation. Under IAS 19, pension plans are classified as defined contribution plans or defined benefit plans. All the current pension plans in the Solwers Group are defined contribution plans. Payments to pension insurance companies are recognised as an expense on an accrual basis in the statement of income of the period to which they relate.

Personnel expenses, break-down by category

EUR thousand	2024	2023
Salaries, wages and other remuneration	-37,444	-31,550
Pension costs	-7,074	-5,672
Compulsory social charges	-4,678	-3,314
Other voluntary employee expenses	-1,520	-1,457
Total	**-50,716**	**-41,993**

Pension costs of financial year 2023 include a reduction of EUR 0.2 million from the subsidies received in connection of R&D projects (see note 3.9) and repaid during financial year 2024. Financial year 2024 pension costs include a provision of EUR 0.3 million related to the same subsidies.

Share-based payments

Accounting Policy

Share-based incentive schemes are valued at fair value on the grant date based on the gross number of shares awarded, recognized as an expense in the consolidated statement of comprehensive income during the period in which the conditions are met (the vesting period) and with a corresponding adjustment to the equity. 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.

An estimate of the shares to be earned is evaluated on each balance sheet date. If the estimate changes in later periods, the change is adjusted to the statement of income to the period in which the change is identified. Share-based payments are recorded in retained earnings in equity. The withholding paid by the company to the tax authority is recognized directly in equity. Social charges related to the arrangement payable by the employer are accrued as a liability.

Performance share plan 2024–2026

In March 2024 the Board of Directors of Solwers Group decided on a new performance-based, long-term incentive plan, which is targeted for the Group Management Team members, CEO and key personnel, consisting of more than 40 employees. The purpose of the plan is to align the interests of the company's shareholders and key employees to increase the company's value in the long-term, to retain key employees for the company and to offer them a competitive incentive plan based on earning and accumulating the company's shares.

The plan has 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 performance criterion of the first measurement period is tied to EBITA-%.

The potential rewards from the plan will be paid during the financial year 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.

As launched in 2024, the impact of the share-based incentive plan on the result of the financial year was EUR 94 thousand. During the financial year, the estimate of the shares to be earned was 25,683 shares. At the end of the financial year, EUR 88 thousand was allocated to the equity item "Retained earnings" from the share-based incentive scheme in force, and respectively EUR 6 thousand was recorded as a liability for the social security contributions.

The value of the rewards to be paid on the basis of the plan corresponds to a maximum total of 229,600 shares of Solwers Plc, including also the proportion to be paid in cash to cover withholding taxes and similar social security items. Estimated total cash outflows for the current share-based payments program is EUR 413 thousand consisting of EUR 386 thousand for purchasing the bonus shares and EUR 27 thousand to cover taxes and social security items for the recipients.

Granted performance-based share bonuses EUR thousand	**PSP 2024-2026**
Grant date	26 April 2024
Bonus shares maximum, pcs	229,600
Measurement period starts	1 January 2024
Measurement period ends	31 December 2026
Vesting period ends	30 April 2027
Share fair value at grant date, EUR	3.42
Estimated bonus shares granted at 31 December 2024, pcs	25,863

2.5 DEPRECIATION, AMORTISATION AND IMPAIRMENT

Amortization, depreciation and impairment of non-current assets

EUR thousand	2024	2023
Amortization of intangible assets	-308	-307
Depreciation of tangible assets	-3,433	-2,801
Depreciation of owned tangible assets	*-406*	*-434*
Depreciation of right-of-use assets, machinery and equipment	*-567*	*-480*
Depreciation of right-of-use assets, buildings and structures	*-2,461*	*-1,887*
Total	**-3,741**	**-3,107**

Accounting policy and information of the useful economic lives of intangible and tangible asset groups is presented in Notes 3.3 and 3.4, and on impairment testing in Note 3.2.

2.6 OTHER OPERATING EXPENSES

Other operating expenses, break-down by category

EUR thousand	2024	2023
Business premises expenses	-1,028	-1,012
ICT expenses	-3,003	-2,516
Travel expenses	-1,281	-1,069
Machinery and equipment expenses	-1,562	-1,610
Marketing expenses	-523	-430
Administrative services expenses	-1,659	-809
Other administration expenses	-978	-700
Change in fair value of contingent considerations from business combinations	-1,711	-533
Other operating expenses	-620	-417
Total	**-12,365**	**-9,096**

During financial year 2024 group recognised expenses in the statement of income for EUR 1,588 thousand (EUR 1,343 thousand) relating to variable lease costs and short term and low value lease agreements.

Research and development expenses

Accounting Policy

Research expenses are recognised as expenses in the statement of income the time they are incurred.

Development expenses are recognised as expenses in the statement of income at the time they are incurred. However, if development expenses constitute, on the long term, a tangible or intangible asset that generates revenue, they are recognised as an tangible or intangible asset item in the balance sheet, calculated at direct cost.

Development expenses recognised as investments in non-current assets are amortised according to the plan over their estimated useful life.

Fees to auditors, summarised by category

Fees to auditors, summarized by cost category

EUR thousand	2024	2023
Audit	-214	-143
Tax consultation	-	-
Other advisory services	-43	-3
Total	**-256**	**-146**

2.7 FINANCIAL INCOME AND EXPENSES

Financial income and expenses, break-down by category

EUR thousand	2024	2023
Financial income		
Interest income	262	186
Dividend income	29	23
Exchange rate gains	255	121
Fair valuation of current investments	4	3
Total	**550**	**334**
Financial expenses		
Interest expenses on loans	-841	-734
Interest expenses on lease liabilities	-244	-178
Exchange rate losses	-330	-92
Other financial expenses	-437	-296
Total	**-1,851**	**-1,300**
Net financial income and expenses	**-1,301**	**-966**

2.8 INCOME TAX

Income tax and deferred taxes

Accounting Policy

Income taxes in the statement of income consist of the taxes based on Group's taxable income for the financial year and deferred taxes. Tax is recognised in the statement of income except to the extent that it relates to items recognised in the statement of other comprehensive income, in which case the tax is presented in the statement of other comprehensive income. Taxes based on taxable income for the financial year are calculated based on local tax rules or using each country's applicable tax rate.

Deferred taxes are calculated from all temporary differences between the carrying amount and the taxable amount of an asset or liability at the tax rate in force at the reporting date or applicable after the reporting date. The most significant temporary differences arise from unused tax losses, non-taxable reserves and adjustment for fair values in contingent consideration liabilities. Deferred tax is not recognised for goodwill that is permanently non-taxable.

Deferred tax liabilities are recorded in full at the reporting date. Deferred tax assets are recognised to the extent that it is likely that there will be future taxable income against which it can be utilised. Deferred tax is not recognised for non-distributed profits of subsidiaries as long as the difference is not likely to be discharged in the foreseeable future.

Income tax expense

EUR thousand	2024	2023
Income tax charge for the financial year	-895	-948
Change of deferred taxes	664	278
Total	**-231**	**-670**

Reconciliation of income tax expense

EUR thousand	2024	2023
Profit before tax	1,435	3,878
Tax on profit before tax by applying parent company's tax rate (20,00%)	-287	-776
Tax adjusting effect of the following items		
Tax rate difference	-12	21
Tax non-deductible expenses	-64	-143
Tax exempt income	8	199
Use of non-recognised tax losses carried forward from prior years	21	78
Tax losses incurred but not recognised	143	-15
Taxes from prior financial periods	-42	-
Other items	2	-33
Total tax expense recognised in the income statement	**-231**	**-670**

Deferred tax assets and liabilities

Deferred tax assets

EUR thousand	Unused tax losses	Other terms	Total
Opening balance 1.1.2024	1,195	31	**1,226**
Recognised in the statement of income	737	33	**770**
Other entries	-42	73	**31**
Closing balance 31.12.2024	**1,891**	**137**	**2,027**

Deferred tax assets

EUR thousand	Unused tax losses	Other terms	Total
Opening balance 1.1.2023	928	52	**980**
Recognised in the statement of income	194	-14	**180**
Other entries	73	-7	**66**
Closing balance 31.12.2023	**1,195**	**31**	**1,226**

The Group has recognised a total of EUR 1,890 thousand (EUR 1,195 thousand) of deferred tax assets for unused tax losses.

The Group has total of EUR 40 thousand of tax losses for which deferred tax asset has not been recognized. The Group will reassess the amount of deferred tax assets if there are changes in the expectations for accumulation of future taxable profit.

Deferred tax liabilities

EUR thousand	Fair value allocatoins	Tax based provisions	Other items	Total
Opening balance 1.1.2024	0	323	133	**456**
Recognised in the statement of income	12	2	112	**126**
Business combinations	371	27	0	**399**
Other entries	0	-9	-1	**-9**
Closing balance 31.12.2024	**383**	**344**	**245**	**972**

Deferred tax liabilities

EUR thousand	Fair value allocatoins	Tax based provisions	Other items	Total
Opening balance 1.1.2023		253	201	**454**
Recognised in the statement of income		-37	147	**110**
Business combinations		0	33	**33**
Other entries		107	-248	**-141**
Closing balance 31.12.2023		**323**	**133**	**456**

2.9 EARNINGS PER SHARE

Accounting Policy

Non-diluted earnings per share is calculated by dividing the profit for the period attributable to the owners of the parent company by the weighted average number of shares outstanding during the year. The average number of shares is adjusted with the treasury shares when Solwers Oyj holds them.

EUR thousand	2024	2023
Earnings per share, non-diluted		
Profit attributable to parent company shareholders	1,144	3,155
Average number of shares during the financial year	10,037,810	9,896,086
Earnings per share; EUR/share	0.11	0.32

3 CAPITAL EMPLOYED

3.1 ACQUISITIONS AND DISPOSALS

Solwers growth strategy is driven by a commitment to systematic organic expansion and supported by an active acquisition plan. All the entities acquired are companies specialising in mainly design or consultancy with expertise complementing one another.

The transactions costs related to the acquisitions, such as expert fees, are expensed in the periods when the services are received.

The agreed contingent considerations relating to the business combinations are primarily tied to the performance of the acquired companies covering a period up to three years. The total undiscounted contingent consideration for the companies acquired during the year is subject to variability due to purchase price mechanisms linked to contingent payments based on variable metrics, such as future EBIT.

Goodwill consists mainly of human capital in the form of employee skills, synergies, geographical or industry expansion and market position. Goodwill from corporate acquisitions is not expected to be tax deductible. The acquisition of a consulting business essentially involves the acquisition of human capital, and most of the intangible assets in the company acquired are thus attributable to goodwill. Non-controlling interest arising from an acquisition is recognised at fair value, which means that non-controlling interest has a measure of goodwill. Separately identifiable intangible assets such as customer relationships, corporate brands and non-compete agreements are identified and assessed in connection with completed acquisitions.

The acquired identifiable net assets reflect the acquired opening Balance Sheets according to Group's IFRS accounting standards including for example IFRS 16 lease agreements. The acquired net assets are presented on total level due to the fact that a single acquisition has not been material for the Group for the presented financial years. In this, Group management has assessed materiality in the light of revenues, headcounts and acquired Balance Sheets.

The fair value of the acquired receivables is expected to be settled in full. The agreed gross values essentially correspond to the fair values of the receivables.

During financial year 2024, acquired entities contributed EUR 14.2 million to consolidated revenue and EUR 0.6 million to operating profit. If the below-mentioned acquisitions had been executed on 1 January 2024, they would have contributed sales of approximately EUR 16.3 million and an operating profit of approximately EUR 0.9 million. If the below mentioned acquisitions had been executed on 1 January 2024, the Group total revenue would have been EUR 80.4 million and operating profit EUR 3.0 million.

Effects of 2024 acquisitions

The table below shows the effect of the 2024 acquisitions on consolidated assets and liabilities. The acquisition analyses are final since fair value allocations have been determined for all items during the financial year.

Acquisition consideration	**2024**
EUR thousand	**Total**
Cash consideration	4,685
Consideration paid with exchange of shares	1,033
Contingent consideration	2,907
Acquisition consideration, total	**8,625**

Acquired identifiable net assets from 2024 business combinations

Acquired identifiable net assets EUR thousand	Acquired identifiable assets and liabilities	Fair value adjustment	Total
Non-current assets			
Intangible assets	5	1 335	1 340
Tangible fixed assets	820	-	820
Investments	-	-	-
Current assets			
Inventories	203	-	203
Trade receivables and other receivables	3 302	-	3 302
Cash and cash equivalents	1 301	-	1 301
Assets, total	**5,632**	**1,335**	**6,967**
Non-current liabilities			
Interest bearing	691	-	691
Deferred tax liabilities	69	297	366
Current liabilities			
Interest bearing	396	-	396
Deferred tax liabilities	-	-	-
Non-interest bearing	2 721	-	2 721
Liabilities, total	**3,877**	**297**	**4,174**
Acquired identifiable net assets	**1,755**	**1,038**	**2,793**
Goodwill			5,832
Acquired net assets, total			**8,625**

Acquisitions in 2024

In 2024, there were five acquisitions where Solwers acquired 100% of the shares of the entities, two in Finland and three in Sweden. On 9 January 2024 Solwers Sweden AB acquired WiseGate AB and its subsidiaries specialized in energy and process industry consulting and planning, and automation. On 26 January 2024, Solwers Sweden AB acquired Relitor AB and its subsidiaries specialized in range of services to plant engineering.

On 28 March 2024, Finnish Solwers company Kalliotekniikka Consulting Engineers Oy acquired the entire share capital of Finexplo Oy. Finexplo specialises in rock excavation and products for the mining industry. Finexplo expanded Solwers Group's offering in this business area.

On 4 July 2024, Finnish Solwers company Arkkitehdit Davidsson Tarkela Oy acquired all shares and voting rights of Siren Arkkitehdit Oy. Siren specialises in architecture expertise.

On 19 August 2024, Swedish Solwers company WiseGate AB acquired the entire stock of Spectra Consult AB. Spectra specializes in planning, design and control in the fields of electricity, telecommunications and security.

The total considerations of acquisitions made in financial year 2024 generally include contingent consideration component tied to the future 2–3-year performance of the acquired entity. Contingent consideration is typically based on EBIT forecast of the target and agreed valuation multiple. Contingent consideration liabilities are measured at estimated fair value in the financial statements. Changes in contingent consideration liabilities after acquisition date does not impact goodwill but are instead recognised in the statement of income as they reflect circumstances or events after the acquisition date.

At year-end 2024, the Group had recorded contingent consideration liabilities of EUR 9,134 thousand, of which EUR 8,609 thousand is short-term.

The acquisition analyses are final since fair value allocations have been determined for all items during the financial year. The total considerations transferred for acquisitions for the year exceeded the acquired net assets of the acquired companies, consequently intangible assets were recognised.

The individual financial impact of each executed acquisition has been limited from Solwers Group perspective and as such have had an effect of less than 10% in Solwers Group's net revenues and number of employees in year 2024. As no single acquisition is substantial, they are presented collectively in the table under Total net assets of acquired companies at date of acquisition, 2024.

In below table are presented the acquired companies of financial year 2024 in the light of the annual net sales and number of personnel figures before the acquisition.

Company	Country	Annual net sales	Number of personnel
WiseGate AB and its subsidiaries	Sweden	SEK 90 million	50 persons
Relitor AB and its subsidiaries	Sweden	SEK 27 million	20 persons
Finexplo Oy	Finland	EUR 0.9 million	0 persons
Siren Arkkitehdit Oy	Finland	EUR 1.8 million	18 persons
Spectra Consult Skövde AB	Sweden	SEK 20 million	20 persons

Effects of 2023 acquisitions

The table below shows the effect of the 2023 acquisitions on consolidated assets and liabilities. The acquisition analyses were provisional in financial statements on 31 December 2023 as the net assets in the companies acquired were not yet conclusively analysed at that date.

Acquisition consideration	Total
EUR thousand	2023
Cash consideration	4,327
Consideration paid with exchange of shares	397
Contingent consideration	653
Acquisition consideration, total	**5,377**

Acquired identifiable net assets from 2023 business combinations

Acquired identifiable net assets EUR thousand	Acquired identifiable assets and liabilities	Fair value adjustment	Total
Non-current assets			
Intangible assets			-
Intangible assets			
Tangible fixed assets	67	-	67
Investments	35	-	35
Current assets			
Trade receivables and other receivables	789	-	789
Cash and cash equivalents	1,108	-	1,108
Assets, total	**1,999**	**-**	**1,999**
Non-current liabilities			
Interest bearing	20	-	20
Deferred tax liabilities	8	-	8
Current liabilities			
Interest bearing	9	-	9
Deferred tax liabilities			
Non-interest bearing	629	-	629
Liabilities, total	**665**	**-**	**665**
Acquired identifiable net assets	**1,334**	**-**	**1,334**
Goodwill			4,043
Acquired net assets, total			**5,377**

Net cash flow effect EUR thousand	Total
Total acquisition consideration	-5,377
Consideration paid with exchange of shares	397
Consideration debt	210
Contingent consideration	653
Cash and cash equivalents in the acquired entities on acquisition date	1,108
Net cash flow effect, total	**-3,009**

Acquisitions in 2023

In 2023, the Group made four 100% acquisitions, two in Finland and two in Sweden. On 21 February 2023 Solwers Sweden AB acquired Transport Consultancy Group Nordic AB, a company specialised in technical consultancy in the rail industry. On 14 September 2023, Solwers' Swedish subsidiary Licab AB acquired North 68 Consulting AB in Kiruna with 20 specialists working for infrastructure, mining industry and municipal projects. On 14 September 2023 Arkman Arkkitehtuuri Oy, architectural company in Kokkola, Finland and was acquired by Lukkaroinen Architects. On 15 December 2023 LVI-Insinööritoimisto Meskanen acquired LVI-Insinööritoimisto Plan-Air Oy. Plan-Air serves real estate investors, public developers, central trade stores and construction companies in HVAC industry. Arkman is specialised locally in master and architectural design.

The total considerations of acquisitions made in financial year 2023 generally include contingent consideration components tied to the future 2–3-year performance of the acquired entity. Contingent consideration is typically based on EBIT forecast of the target and agreed valuation multiple. Contingent considerations are measured at estimated fair value in the financial statements. Changes in contingent consideration liabilities after acquisition date does not impact goodwill but are instead recognised in the statement of income as they reflect circumstances or events after the acquisition date.

On 31 December 2023, the Company had contingent consideration liabilities of EUR 7,153 thousand in its balance sheet, of which EUR 357 thousand is short-term.

Acquisition analyses were provisional in financial statements on 31 December 2023 as the net assets in the companies acquired were not yet conclusively analysed at that date. During financial year 2024, acquisition analyses has been finalised and fair value allocations have been determined, and these have been reported as transfers between assets for the financial year. The total considerations transferred for acquisitions for the year exceeded the acquired net assets of the acquired companies, and consequently intangible assets were recognised.

The individual financial impact of each executed acquisition has been limited from Solwers Group perspective and as such have had an effect of less than 10% in Solwers Group's net revenues and number of employees in year 2023. As no single acquisition is substantial, they are presented collectively in the table under Total net assets of acquired companies at date of acquisition, 2023.

In below table are presented the acquired companies of financial year 2023 in the light of the annual net sales and number of personnel figures before the acquisition.

Company	Country	Annual net sales	Number of personnel
Transport Consultancy Group Nordic AB	Sweden	SEK 30 million	17 persons
North 68 Consulting AB	Sweden	SEK 16 million	20 persons
Arkman Arkkitehtuuri Oy	Finland	EUR 0.5 million	5 persons
LVI-Insinööritoimisto Plan-Air Oy	Finland	EUR 0.8 million	8 persons

Contingent consideration liabilities movements and classification

In below tables, contingent consideration liabilities movements and classification between non-current and current liabilities are presented for the financial year 2024 and prior year 2023. Contingent consideration liabilities are presented in Balance Sheet rows Trade and other payables respectively.

Contingent consideration liabilities, totals

EUR thousand	2024	2023
Contingent consideration liabilities 1.1.	7,153	7,485
Current year business combinations increase	1,375	863
Paid in the financial year	-415	-778
Revaluation	1,112	-416
Exchange rate difference	-90	-1
Contingent consideration liabilities 31.12.	**9,134**	**7,153**
of which		
Non-current liability	525	6,796
Current liability	8,609	357
	9,134	**7,153**

Acquisitions and divestments of non-controlling interests

Solwers acquired during 2024 shares from non-controlling interests holders in Dreem Ab, KAM Redovisning Ab, Finmap Infra Oy and Taitotekniikka Oy. All companies are fully owned by the Group except Finmap Infra Oy, that contains 2.8 % non-controlling interest. During 2023 Solwers acquired non-controlling interests from Insinööritoimisto Zenner Oy and Geounion Oy. After the acquisition both companies are fully owned by the Group.

Acquisitions on non-controlling interests

EUR thousand	2024	2023
Acquisition cost	-759	-248
Book value of the acquired interest	77	78
Impact on consolidated equity	**-682**	-170

The group made no divestments of Non-controlling interest during financial years 2024 and 2023.

3.2 GOODWILL

Accounting Policy

Goodwill is initially measured at cost, as it represents the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of income.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of income in accordance with IFRS 9. After initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill arising from the acquisition of entities with a functional currency other than euro, is translated into euros using the exchange rates effective on the reporting date.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Impairment testing

Goodwill impairment tests are undertaken at least annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. An impairment loss is recognised if the carrying amount of an CGU exceeds its recoverable amount. Any impairment is recognised immediately as an expense and is not subsequently reversed.

For impairment testing assets are grouped together into the smallest group of assets that generates cash inflows from continuing use and that are largely independent of other assets or CGUs. Goodwill arising from a business combination is allocated to cash generating units that benefit from the synergies of the business combination.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The carrying amount of the cash-generating units comprises net operating assets, including goodwill and fair value adjustments arising from acquisitions.

Goodwill impairment testing

Goodwill allocation

EUR thousand	2024	2023 *
CGU Finland	21,849	20,328
CGU Sweden	25,052	21,672
Total	**46,901**	**42,000**

* = Goodwill allocation of 2023 represents an aggregated amount of goodwill allocated to operating companies which has been reclassified, according to revised composition of financial year 2024, from operating companies to CGUs of geographical areas.

Goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually in accordance with IAS 36 Impairment of Assets.

The objective of the test is to determine the recoverable amounts of the cash-generating units based on their value in use. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The preparation of goodwill impairment testing requires estimates to be made about the future. The management's estimates and related critical uncertainties relate to the components of the calculation of recoverable amount, which include the discount rate, the growth rate after the forecast period, and the development of revenue and operating profit. The discount rate reflects the estimates of the time value of money at the time of testing and the relevant risk premium, which in turn reflects the risks and uncertainties that have not been taken into account when adjusting the corresponding cash flow estimates.

When calculating the value in the use of a cash-generating unit, the discount rate used in the calculation is based on the weighted average cost of capital before taxes (pre-tax WACC). The components of the test calculation are risk-free return, business risk, market risk premium, market-based beta, cost of debt and the target capital structure of the company's invested capital [equity/interest-bearing and non-interest-bearing liabilities].

Composition of cash-generating units

The Group's growth over time has expanded its service portfolio, enabling a more versatile and comprehensive service offering in joint projects where multiple operating companies collaborate to deliver solutions to clients. This evolution has allowed the Group to combine expertise from various operating companies, enhancing its ability to tackle complex, multi-disciplinary projects within both Finland and Sweden.

As the Group has grown, it has taken time for the operating companies to establish effective ways of working together and to align their operations, allowing them to function as a cohesive unit when serving clients. This process of building collaboration and operational synergies across the operating companies has been gradual. However, by the financial year 2024, it has been observed that these collaborative efforts have matured, with the Group now consistently providing services through its operating companies in a well-coordinated manner. This maturity in cooperation has triggered the need to reassess the Group's cash-generating units (CGUs), as the operational integration may affect how cash inflows are generated and monitored across the organization.

As a result of this reassessment, the Group has reorganized the composition of its cash-generating units during year 2024 to align with the evolution of its business operations over time and the subsidiaries operating in one geographical area were identified as the smallest group of assets generating largely independent cash inflows. Consequently, goodwill is allocated to cash-generating units Finland and Sweden. Prior to the reorganization of cash-generating units, including financial year 2023, the Group had identified each operating company to form a single cash-generating unit. Impairment test disclosures reflect the composition of the CGUs in effect at the time of performed impairment tests.

Impairment test 2024

Annual impairment tests of financial year 2024 were performed post-reorganization of cash-generating units thus determining recoverable amounts using value-in-use calculations for CGUs Finland and Sweden. The pre-tax discount rate (WACC) used for CGU Finland was 12.8% and 11.1% for CGU Sweden.

The key assumptions and the methodology used in the calculations remained similar to prior year of 2023. Key assumptions used were revenue growth and profitability (EBITDA margin) which were based on both the year 2025 budget and the long-term profitability. The budget of 2025 was used as base for the following years of 2026-2029 of the impairment testing forecast period. For CGU Finland the average annual revenue growth used in the calculations for the first four years of the five-year forecast period was 6.5–7.00, while for CGU Sweden, it was 7.0%–8.0%. The revenue growth for the fifth year and the calculation of terminal value was set at 2.0% for both CGUs.

Performed tests indicated that the recoverable amounts of both CGUs exceeded their carrying amount, no indication for a need for impairment observed. The calculations are most sensitive to changes in estimated future EBITDA levels, and changes in discount rate. Management estimates that no reasonably possible change in the discount rate used, or in future earnings would cause the carrying amount to exceed its recoverable amount.

Impairment test 2023

In the impairment tests performed at year end 2023, two of the company's subgroups and other directly or indirectly owned subsidiaries were considered as separate cash-generating units. The reason for testing both sub-groups instead of the separate companies they form is that the two sub-groups are of a technical nature and their business is controlled from their immediate parent company.

The test was performed for all cash-generating units to which goodwill has been allocated and acquired before 2023. For companies acquired in 2023, the impairment test is performed for the first time in 2024. The discount rate (WACC before taxes) used in the calculations was 12.93% for the CGUs, or companies, incorporated in Finland and 10.64% for subsidiaries in Sweden.

The key assumptions used in the calculations were revenue growth and profitability (EBITDA margin), which were based on both the 2024 budget and the long-term profitability, cost and profitability estimates of the company's management. The 2024 budget was used for the first year of the short-term (5 years) impairment testing. The average annual revenue growth used in the calculations for the forecast five-year period was 5.00–20.00 percentage points. Terminal year growth rate applied was 2.00 percentage points. However, the projected profitability of the cash-generating units was adjusted on a case-by-case basis to reflect actual performance in recent years and any known or probable future changes in profitability.

The tests performed indicated that the recoverable amount for all cash-generating units exceeded their carrying amount. Therefore, no impairment loss was recognised based on tests performed. Based on the calculations made, the value in use for the cash-generating units exceeded their carrying amount by 2.6-484.8%.

For one of the CGUs operating in Finland the recoverable amount exceeded the carrying amount of the CGU by 2.6%, or 55 EUR thousand, indicating that a reasonable possible change in a key assumption could potentially cause the carrying amount to exceed the recoverable amount. Key assumptions used for the CGU were discount rate of 12,93%, growth rate of 2-3% for the forecast period and EBITDA margin of 11,2%-15,8%. According to sensitivity analysis performed, in scenarios where discount rate would increase by 0.28%, growth rate would decrease by 0.4% or average EBITDA margin would decrease by 2.3% the carrying amount of the CGU would have equalled its recoverable amount.

3.3 INTANGIBLE ASSETS

Accounting Policy

Intangible assets with a finite useful life are recognised at cost less amortisation using a straight-line method over their economic useful lives. Apart from goodwill, intangible assets include Purchase Price Allocation items such as Customer relationships, Brands and Non-compete agreements. In addition, there are software and other capitalised long-term expenses in intangible assets. Intangible assets with unlimited useful lives, such as Goodwill, are not subject to amortisation but tested annually for impairment.

Economic useful lives of intangible assets for the 2024 and 2023 financial statements periods varies from 2-20 years depending on the asset group:

Non-compete agreements (PPA allocation)	2-3 years
Customer relationships (PPA allocation)	8 years
Corporate brands (PPA allocation)	20 years
Other intangible items (development expenses, IT licenses and other items)	5-10 years

Assets relating to customer relationships and brands that are acquired through business combinations are measure at fair value at the time of acquisition and amortised over the useful life.

The movement of the intangible asset categories is presented in the following two tables.

Intangible assets - year 2024	Goodwill	Intangible assets related to acquired businesses: Customer relationships	Brands	Non-compete agreements	Capitalized development expenses	IT-licenses	Other intangible rights	Total
EUR thousand								
Acquisition cost 1 January	**42,000**	**-**	**-**	**-**	**1,242**	**161**	**153**	**43,556**
Additions, separately acquired	-	-	-	-	430	-	-	430
Additions, internally developed	-	-	-	-	-	5	-	5
Additions through business combinations	5 832	606	741	104	-	-	15	7 298
Transfer between items	- 476	415	-	61	-	- 19	19	-
Impairments	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	- 22	- 22
Net exchange rate differences	- 456	9	- 12	1	-	-	-	- 458
Acquisition cost 31 December	**46,901**	**1,030**	**729**	**166**	**1,672**	**147**	**165**	**50,810**
Accumulated amortisation 1 January	**-**	**-**	**-**	**-**	**- 353**	**- 127**	**- 92**	**- 573**
Amortisation for the period	-	- 32	- 9	- 15	- 201	- 13	- 38	- 308
Transfer between items	-	-	-	-	-	-	-	-
Impairments, accumulated amortisation	-	-	-	-	-	-	-	-
Accumulated amortisation of disposals	-	-	-	-	-	-	-	- 3
Net exchange rate differences	-	-	-	-	-	-	-	-
Accumulated amortisation and impairments 31 December	**0**	**-32**	**-9**	**-15**	**-554**	**-140**	**-130**	**-884**
Carrying amount 31 December	**46,901**	**998**	**720**	**151**	**1,115**	**7**	**35**	**49,927**

Intangible assets - year 2023	Goodwill	Intangible assets related to acquired businesses: Customer relationships	Brands	Non-compete agreements	Capitalized development expenses	IT-licenses	Other intangible rights	Total
EUR thousand								
Acquisition cost 1 January	**37 836**	**-**	**-**	**-**	**1 272**	**127**	**153**	**39 388**
Additions, separately acquired	-	-	-	-	-	34	14	48
Additions, internally developed	-	-	-	-	-	-	-	-
Additions through business combinations	4 101	-	-	-	-	-	-	4 101
Transfer between items	-	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	- 30	-	- 14	- 44
Net exchange rate differences	64	-	-	-	-	-	-	64
Acquisition cost 31 December	**42 000**	**-**	**-**	**-**	**1 242**	**161**	**153**	**43 556**
Accumulated amortisation 1 January	**-**	**-**	**-**	**-**	**-157**	**-47**	**-62**	**-266**
Amortisation for the period	-	-	-	-	-196	-80	-31	-307
Transfer between items	-	-	-	-	-	-	-	-
Impairments, accumulated amortisation	-	-	-	-	-	-	-	-
Accumulated amortisation of disposals	-	-	-	-	-	-	-	-
Net exchange rate differences	-	-	-	-	-	-	-	-
Accumulated amortisation and impairments 31 December	**-**	**-**	**-**	**-**	**-353**	**-127**	**-93**	**-573**
Carrying amount 31 December	**42 000**	**-**	**-**	**-**	**889**	**34**	**61**	**42 984**

The amount of research and development expenditure recognized as an expense during the reporting period was EUR 156 thousand (EUR 125 thousand).

Intangible assets by country

Intangible assets by country - year 2024	Goodwill	Customer relationships	Brands	Non-compete agreements	Capitalized development expenses	IT-licenses	Other intangible rights	Total
EUR thousand								
Finland	21,848	168	110	64	602	7	25	**22,824**
Sweden	25,053	830	610	87	513	-	9	**27,102**
Carrying amount 31 December	**46,901**	**998**	**720**	**151**	**1,115**	**7**	**35**	**49,927**

Intangible assets by country - year 2023	Goodwill	Customer relationships	Brands	Non-compete agreements	Capitalized development expenses	IT-licenses	Other intangible rights	Total
EUR thousand								
Finland	20,328	-	-	-	798	21	61	**21,209**
Sweden	21,672	-	-	-	90	13	-	**21,775**
Carrying amount 31 December	**42,000**	**-**	**-**	**-**	**888**	**34**	**61**	**42,984**

3.4 TANGIBLE ASSETS

Accounting Policy

Tangible assets include machinery and equipment, measuring devices used for risk assessment and other consultancy equipment related to client assignments. Tangible assets are measured at cost less accumulated depreciation and any impairment losses. The straight-line depreciation is calculated based on the estimated probable economic life of the assets.

Sales gains and losses are calculated as the difference between the sales price and remaining acquisition costs and presented in other operating income and expenses.

Economic useful lives of tangible assets vary from 5-8 years depending on the asset group concerning mostly Machinery and equipment, and in minority, Other tangible assets.

Tangible assets consist of leasing assets (IFRS 16) and owned assets, both presented on same Balance sheet row. Owned assets mainly consist of measuring devices used for risk assessment and other consultancy equipment related to client assignments. Leasing assets mainly comprise rented office premises as well as leased office equipment, passenger cars used by personnel and other vehicles used in the business.

	Right-of-use assets			Owned assets			
Tangible assets - year 2024	**Land and buildings**	**Machinery and equipment**	**Other tangible assets**	**Land and buildings**	**Machinery and equipment**	**Other tangible assets**	**Total**
EUR thousand							
Acquisition cost 1 January	**8,583**	**1,992**	**-**	**-**	**2,208**	**113**	**12,893**
Additions, separately acquired	2,679	421	-	-	510	54	3,664
Additions, internally developed	-	-	-	-	-	-	-
Additions through business combinations	610	191	-	-	19	-	820
Disposals	-525	-239	-	-	-123	-	-887
Impairments	-	-	-	-	-	-	-
Net exchange rate differences	-61	9	-	-	-32	-	-84
Acquisition cost 31 December	**11,286**	**2,374**	**-**	**-**	**2,582**	**167**	**16,406**
Accumulated depreciation 1 January	**-3,738**	**-983**	**-**	**-**	**-823**	**-54**	**-5,598**
Depreciation for the period	-2,461	-567	-	-	-350	-55	-3,433
Impairments, accumulated depreciation	-	-	-	-	- 1	-	- 1
Accumulated depreciation of disposals	-	-	-	-	2	-	2
Net exchange rate differences	-	-	-	-	-	-	-
Accumulated amortisation and impairments 31 December	**-6,199**	**-1,550**	**-**	**-**	**-1,172**	**-109**	**-9,030**
Carrying amount 31 December	**5,087**	**824**	**-**	**-**	**1,410**	**58**	**7,379**

	Right-of-use assets			Owned assets			
Tangible assets - year 2023	**Land and buildings**	**Machinery and equipment**	**Other tangible assets**	**Land and buildings**	**Machinery and equipment**	**Other tangible assets**	**Total**
EUR thousand							
Acquisition cost 1 January	**4,692**	**1,625**	**-**	**-**	**2,068**	**67**	**8,452**
Additions, separately acquired	3,891	523	-	-	126	46	4,586
Additions, internally developed	-	-	-	-	-	-	-
Additions through business combinations	-	-	-	-	67	-	67
Disposals	-	- 155	-	-	- 52	-	- 208
Impairments	-	-	-	-	-	-	-
Net exchange rate differences	-	-	-	-	- 1	-	- 1
Acquisition cost 31 December	**8,583**	**1,992**	**-**	**-**	**2,208**	**113**	**12,896**
Accumulated depreciation 1 January	**-1,824**	**-494**	**-**	**-**	**-434**	**-46**	**-2,798**
Depreciation for the period	-1,914	-489	-	-	-389	-8	-2,800
Impairments, accumulated depreciation	-	-	-	-	-	-	-
Accumulated depreciation of disposals	-	-	-	-	-	-	-
Net exchange rate differences	-	-	-	-	-	-	-
Accumulated amortisation and impairments 31 December	**-3,738**	**-983**	**-**	**-**	**-823**	**-54**	**-5,598**
Carrying amount 31 December	**4,844**	**1,008**	**-**	**-**	**1,384**	**58**	**7,295**

Tangible assets by country

	Right-of-use assets			Owned assets			
Tangible assets by country - year 2024	**Land and buildings**	**Machinery and equipment**	**Other tangible assets**	**Land and buildings**	**Machinery and equipment**	**Other tangible assets**	**Total**
EUR thousand							
Finland	2,865	295	-	-	1,295	19	**4,474**
Sweden	2,222	528	-	-	115	39	**2,904**
Carrying amount 31 December	**5,087**	**824**	**-**	**-**	**1,410**	**58**	**7,379**

	Right-of-use assets			Owned assets			
Tangible assets by country - year 2023	**Land and buildings**	**Machinery and equipment**	**Other tangible assets**	**Land and buildings**	**Machinery and equipment**	**Other tangible assets**	**Total**
EUR thousand							
Finland	2,825	337	-	-	1,257	19	4,438
Sweden	2,019	672	-	-	127	39	2,856
Carrying amount 31 December	**4,844**	**1,008**	**-**	**-**	**1,384**	**58**	**7,295**

Leasing agreements

Accounting Policy

The Group has lease contracts for office premises, vehicles and machinery. The Group capitalizes all leases in accordance with IFRS 16 Leases, except for short-term leases and low value leases, as right-of-use assets with a corresponding lease liability at the date at which the leased asset is available for use by the Group. The management of the Group executes business plan anchored judgement in determining the end date for open-ended lease contracts whose termination period is over 12 months for both contractual parties. The Group regularly assess and updates the duration of the open-ended lease contracts, taking into account any short-term exemption contracts.

At the initial measurement the discounted net present value of the future lease payment is recognized as a lease liability and a corresponding right-of-use asset. The right-of-use asset is measured at acquisition cost less accumulated depreciation and amortization and any impairment losses, adjusted for the impact of any reassessments of the lease liability. Right-of-use assets are depreciated on a straight-line basis over the lease term. The lease liability is remeasured when a change has taken place in the future lease payments due to a change in the index or modifications in lease contracts.

Variable lease payments and costs for leases not capitalised due to exemptions in the standard, are expensed to the statement of income.

Economic useful lives of right-of-use assets are as follows:

- Office premises 1 to 10 years
- Machinery and Equipment: from 1 to 5 years

The year 2024 increase of the carrying value of the leased office premises, presented under the headline 'Buildings' above, is mainly due to re-evaluation of assumptions considering the time span of open-ended rental agreements.

The total undiscounted amount of future minimum lease payments is presented in more detail in note 5.3 Collateral provided and contingent liabilities. The amounts and maturities of lease liabilities have been presented in note 4.1 Financial assets and liabilities. The amounts of variable lease costs, short-term lease costs and low value lease agreements recognized in the statement of income are presented in note 2.6 Other operating expenses, meanwhile the lease liabilities related interest costs are presented in note 2.7 Financial income and expenses.

3.5 INVESTMENTS

Movement of non-current investments

EUR thousand	2024	2023
Opening balance 1 January	1,889	1,888
Share of result in associated companies	41	-
Additions	300	1
Decrease	-0	0
Closing balance 31 December	**2,230**	**1,889**

Non-current investments specified by category

EUR thousand	2024	2023
Associated companies	341	-
Real estate and housing company shares	1,863	1,863
Other shares	25	26
Total	**2,230**	**1,889**

Solwers Group did not hold any investments in equity instruments designated at fair value through other comprehensive income during the financial year 2024 or comparison year 2023.

Solwers Group acquired a stake of 33.3 % for a consideration of EUR 300 thousand in a private company One Planet Oy as a cash transaction on 23 January 2024. The investment is treated as an associated company and is measured using the equity method. One Planet Oy is located in Finland and specialised in sustainability consulting business. The total assets of One Planet Oy were EUR 622 thousand and total equity EUR 442 thousand, of which the profit of the year EUR 123 thousand.

Transactions with Associated Companies

Transactions with Associated Companies

EUR thousand	2024	2023
Sale of products and services	0	-
Purchase of products and services	14	-
Finance income and expenses	-	-
Dividends	-	-
Total	**14**	**-**

3.6 INVENTORIES

Accounting Policy

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost is determined specifically for a project or an item using the average or the first-in first-out (FIFO) methods and comprises the acquisition costs on the items in the inventory. The Group monitors any decline of the net realisable value of the inventories below cost and where necessary, recognises an impairment loss.

The inventory is comprised of the work in progress and goods and products. Work in progress consists of the fair value of consultancy work performed by the end of the financial year but not invoiced to the amount the Group is expected to be compensated for.

Inventories specified by category

EUR thousand	2024	2023
Work in progress	-	105
Goods and products	552	41
Total	**552**	**146**

Work in progress consists of the fair value of consultancy work performed by the end of the financial year but not invoiced, from which the Group's internal margin has been eliminated. Goods and products mainly consists of items used in rock excavation operations.

3.7 TRADE AND OTHER RECEIVABLES

Accounting Policy

The Group recognizes trade and other receivables, when it becomes party to the contractual provisions of the instruments.

The Group applies the simplified approach of IFRS 9 to allowances for credit losses for trade receivables. Trade receivables are recognised on the statement of financial position at original invoiced value less any impairment. An allowance for impairment is immediately recognised in the statement of income. An allowance for loss is based on the expected credit losses from trade receivables. Group uses simplified approach for trade receivables ECL and has implemented an ECL matrix that takes into consideration macroeconomic factors for not due receivables and aging categories based on management's estimate on future expected credit losses on aging category-based analysis. For other receivables, loan receivables and similar items, Group analyses these separately, and where there are material indications for any credit loss risk, assesses the sufficient amount of Expected Credit Loss per item. There is no ECL matrix for these receivables as no material credit losses are expected in normal business cycle. Currently, Group has analysed these other receivables, loan receivables and similar items, and identified no indications nor credit loss risks for these items.

When all debt collection measures has proved to be unsuccessful the Group records the final credit loss. A credit loss is recorded when a recommendation for credit loss is received from a debt collection agency or when the debtor files for restructuring or bankruptcy.

Group companies have ordinary payment terms in the trade receivables.

Non-current receivables specified by category

EUR thousand	2024	2023
Loan receivables	903	1,018
Security cash deposits	312	307
Total	**1,215**	**1,325**

Current receivables specified by category

EUR thousand	2024	2023
Trade receivables	11,826	10,897
Other receivables	1,198	361
Prepaid expenses and accrued income	5,279	4,077
Total	**18,302**	**15,335**

In November 2024, Solwers' Swedish subsidiary ELE Engineering AB received a ruling from the Swedish Tax Authority to repay subsidies of EUR 0.6 million the company has received in years 2022–2023 allowing reduction of social security contributions for certain employees engaged in a number of research and development projects. The amount was repaid to the tax authorities in December 2024 in full. The Company finds the ruling unjustified and will file an appeal to reclaim the amount provided. Consequently, the Group has recorded a receivable of equal amount recognized in other current receivables. Due to uncertainty of the appeal and to the number of projects included therein, the Group has recorded a provision of EUR 0.3 million on 31 December 2024 balance sheet.

Material items in prepaid expenses and accrued incomes

Prepaid expenses and accrued income

EUR thousand	2024	2023
Accrued income	3,397	3,108
Accrued interest income	30	29
Income tax receivables	218	97
Prepaid expenses	1,176	613
Other items	458	230
Total	**5,279**	**4,077**

Expected credit losses (ECL)

The carrying amount of trade receivables is based on management's assessment of their fair value. Current receivables do not include credit risks differing significantly from the long-term average.

Trade receivables specification by maturity

EUR thousand	2024	2023
Not due	10,861	8,867
Overdue by aging category		
< 30 days	687	1,611
31 – 60 days	44	140
61 – 90 days	10	83
> 90 days	225	196
Total	**11,826**	**10,897**

Expected Credit Losses Matrix EUR thousand	ECL %	2024	Expected Credit Losses
Trade receivables specification by maturity			
Not due	0.24 %	10,861	26
Overdue by aging category			
< 30 days	0.48 %	687	3
31 – 60 days	10 %	44	4
61 – 90 days	30 %	10	3
> 90 days	50 %	225	112
Total		**11,826**	**149**

Expected Credit Losses Matrix EUR thousand	ECL %	2023	Expected Credit Losses
Trade receivables specification by maturity			
Not due	0.01 %	8,867	1
Overdue by aging category			
< 30 days	0.10 %	1,611	2
31 – 60 days	10 %	140	14
61 – 90 days	25 %	83	21
> 90 days	75 %	196	147
Total		**10,897**	**184**

3.8 TRADE AND OTHER PAYABLES

Trade and other payables , Non-current EUR thousand	2024	2023
Contingent acquisition debt	526	6,796
Other liabilities	-	-
Total	**526**	**6,796**

Trade and other payables , current EUR thousand	2024	2023
Contingent acquisition debt	8,609	357
Other liabilities	4,436	3,858
Received prepayments	214	24
Accounts payable	2,984	1,908
Accrued expenses and deferred income	7,297	6,738
Total	**23,541**	**12,885**

Material items in accrued expenses and deferred income

Accrued expenses and deferred income EUR thousand	2024	2023
Holiday pay and other salary accruals	4,644	3,966
Accrued pension costs	521	524
Accrued other compulsory social charges	1,092	968
Accrued interest expenses	74	106
Other accruals	966	1,175
Total	**7,297**	**6,739**

3.9 PROVISIONS

Accounting Policy

A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the obligation will require the transfer of financial resources away from the Group and the amount of the obligation can be reliably estimated. Provisions are measured at the present value required in order to cover the obligation.

The company recognises a provision when it is certain that costs will be incurred to fulfil the obligation, but no corresponding income to cover the costs is received. Provisions are reversed as costs are incurred related to fulfilling the obligation.

In November 2024, Solwers' Swedish subsidiary ELE Engineering AB received a ruling from the Swedish Tax Authority to repay subsidies of EUR 0.6 million the company has received in years 2022–2023 allowing reduction of social security contributions for certain employees engaged in a number of research and development projects. The amount was repaid in December 2024 in full. The Company finds the ruling unjustified and will file an appeal to reclaim the amount provided. Consequently, the Group has recorded a receivable of equal amount recognized in other current receivables. Due to uncertainty of the appeal and to the number of projects included therein, the Group has recorded a provision of EUR 0.3 million on 31 December 2024 balance sheet. The appeal will be filed during financial year 2025 and the Group expects to receive related ruling as well during financial year 2025. In case of a favourable decision, the Group will reclaim the receivable in full and consequently reverse the provision.

Other provisions are related to post-work obligations or breaches of contract terms. All provisions are presented in the table below.

Provisions

EUR thousand	2024	2023
Opening balance 1 January	-	-
Increases in provisins	321	-
Provisions used	-	-
Closing balance 31 December	**321**	**-**
From which		
Non-current	-	-
Current	321	-
Closing balance 31 December	**321**	**-**

4 CAPITAL STRUCTURE AND FINANCIAL INSTRUMENTS

4.1 FINANCIAL ASSETS AND LIABILITIES

Accounting policy

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Determination of fair value

The fair value of an asset or liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring fair value, an entity uses the assumptions that market participants would use when pricing the asset or the liability under current market conditions.
Otherwise, other valuation techniques are applied.

Fair values are classified as follows for the different levels of the fair value hierarchy. The levels reflect the significance of the inputs used in the valuation techniques:

- Level 1: Quoted fair values in active markets for similar assets and liabilities
- Level 2: Fair values are determined using information other than quoted fair values included in Level 1, and they can be verified, directly or indirectly, in respect of the asset or liability in question. The analysis is made on instrument level.
- Level 3: Fair value for assets or liabilities are determined using information that is not based on observable market data. The analysis is made on instrument level.

The carrying amount of current trade receivables, trade payables and cash and cash equivalents is considered to correspond to the best estimate of their fair value. The carrying amount of loans and other long-term liabilities of financial institutions is also considered to correspond to the best estimate of their fair value.

Classification and measurement of financial assets

The financial assets are categorised as follows:

- Financial assets measured at amortised cost
- Financial assets measured at fair value through other comprehensive income
- Financial assets measured at fair value through profit or loss

A financial asset is measured at amortised costs when both of the following conditions are met:

- the objective is to hold financial assets to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income when both of the following conditions are met:

- the objective is to collect contractual cash flows and to sell financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

The group measures a financial asset at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. Currently the Group does not recognise any financial asset measured at fair value through other comprehensive income.

At initial recognition, financial assets are measured at fair value plus transaction costs that are directly attributable to the acquisition, except for trade and other receivables, which are measured at the transaction price when they do not contain any significant financing component. After initial recognition, financial assets are measured at fair value except those trade and other receivables. For information on Trade and other receivables see note 3.7.

The Group classifies financial assets as non-current assets if they mature in more than 12 months. If they are to be held for less than 12 months financial assets are disclosed as current assets.

The Group classifies investments in real estate and housing companies, loan receivables and trade receivables to a class of measured at amortised cost less impairment. The principles for impairment of trade receivable are presented under '3.7 Trade and Other receivables'. The Group assess at each reporting date whether there is objective evidence that a financial asset is impaired. A financial asset is derecognised when the rights to receive cash flows from the asset have been lost or significant risks and rewards of ownership has been transferred outside the Group.

Cash and cash equivalents include cash and bank deposits that can be drawn on demand. Short-term deposits are considered easily convertible into cash when they have an original maturity of three months or less. Cash and cash equivalents presented in the balance sheet correspond to cash and cash equivalents presented in the cash flow statement.

Classification and measurement of financial liabilities

Financial liabilities consist of loans from financial instructions, lease liabilities, contingent consideration liabilities and trade payables.

Financial liabilities measured at amortised cost include loans from financial institutions and trade payables. Financial liabilities are classified as current unless there is an unconditional right to defer the payment for at least 12 months from the end of the financial year. In case of loan refinancing, unrecognised loan-related expenses are recognised as financial expenses in the statement of income.

Loans from credit institutions are initially recognised at fair value, net of transaction costs. They are measured at fair value using the effective interest rate method taking materiality into account. Subsequently, loans are measured at amortised cost, with changes in fair value expensed in the statement of income during the reporting period in which they occur.

The fixed components of contingent consideration liabilities are measured at amortised cost. Contingent consideration liabilities which depend on future earnings, are recognised at their estimated fair value. Changes in fair value arising from additional information that Solwers has obtained after the transaction date, and within 12 months period, about facts and circumstances that existed at the acquisition date, are treated as measurement period adjustments. Changes resulting from events after the acquisition date, such as meeting an earnings target, are recorded in the statement of comprehensive income as other operating income or expense.

Financial liabilities are derecognised when they are extinguished, or when the original financial liability is modified, and new financial liability is recognised.

Financial assets:

The classification and valuation of financial assets:

Financial assets 31.12.2024	Measured						
EUR thousand	at amortized cost	at fair value through income statement	Carrying value total	Fair value	Level 1	Level 2	Level 3
Non-current							
Investments	341	1,889	2,230	2,230			1,889
Receivables	1,215		1,215	1,215			
Current							
Trade receivables	11,826		11,826	11,826			
Investments		679	679	679	679		
Cash and cash equivalents	11,631		11,631	11,631			
Total	**25,012**	**2,567**	**27,580**	**27,580**			

Financial assets 31.12.2023	Measured						
EUR thousand	at amortized cost	at fair value through income statement	Carrying value total	Fair value	Level 1	Level 2	Level 3
Non-current							
Investments		1,889	1,889	1,889			1,889
Receivables	1,325		1,325	1,325			
Current							
Trade receivables	10,897		10,897	10,897			
Investments		885	885	885	885		
Cash and cash equivalents	15,953		15,953	15,953			
Total	**28,175**	**2,774**	**30,950**	**30,950**			

At balance sheet date, and at the end of prior financial year, the Group didn't hold any derivative instruments.

Reconciliation of the carrying amount for Level 3 financial assets

Financial assets

EUR thousand	2024	2023
Opening balance and fair value at 1.1	**1,889**	**1,888**
Gains and losses recognised in profit or loss	41	-
Purchases and business combinations	300	1
Closing balance of fair value 31.12	**2,230**	**1,889**

Available observable and unobservable inputs are used in these Level 3 financial assets valuations such as market data of similar housing shares, estimation of yields, assumptions about uncertainty or risk, assumptions about future development and parameters and cash flow forecasts using the available data for these assets, and similar inputs that need management judgment. The Level 3 financial assets consist mostly of different investments in shares and real estate and in associates.

The classification and valuation of financial liabilities

Financial liabilities 31.12.2024	Measured						
EUR thousand	at amortized cost	at fair value through income statement	Carrying value total	Fair value	Level 1	Level 2	Level 3
Non-current							
Loans from credit institutions	19,612		19,612	19,612			
Leasing debt	3,162		3,162	3,162			
Contingent acquisition debt		526	526	526			526
Current							
Loans from credit institutions	2,081		2,081	2,081			
Leasing debt	2,949		2,949	2,949			
Contingent acquisition debt		8,609	8,609	8,609			8,609
Trade payables	2,984		2,984	2,984			
Total	**30,788**	**9,134**	**39,923**	**39,923**			

Financial liabilities 31.12.2023	Measured						
EUR thousand	at amortized cost	at fair value through income statement	Carrying value total	Fair value	Level 1	Level 2	Level 3
Non-current							
Loans from credit institutions	18,095		18,095	18,095			
Leasing debt	3,451		3,451	3,451			
Contingent acquisition debt		6,796	6,796	6,796			6,796
Current							
Loans from credit institutions	2,140		2,140	2,140			
Leasing debt	2,550		2,550	2,550			
Contingent acquisition debt		357	357	357			357
Trade payables	1,908		1,908	1,908			
Total	**28,144**	**7,153**	**35,297**	**35,297**			

Group does not currently have any derivative instruments in financial liabilities at Balance sheet date, and it did not either on the comparison period.

Group's interest-bearing debt mostly consists of loans from credit institutions. Group's loans are so-called senior loans with floating rate interests (EURIBOR and STIBOR). For these senior loans, covenants are related to as described in 4.2 Financial Risk Management section. Most of the senior loans are denominated in Group's reporting currency, but also part of these senior loans is denominated in SEK to balance the translation risk of Group's Swedish operations.

Changes to Solwers' Financing Agreements during the financial year

Solwers Plc signed an agreement on expanding and amending the Financing Agreement originally signed in May 2022 with the Company's principal bank. In the agreement, the Company's current loans were refinanced with a new EUR 24.2 million loan maturing on February 28, 2029.

In addition, the Company agreed on a new EUR 10 million credit facility, which can be drawn for acquisition use if needed. In accordance with the terms of the financing agreement, the acquisition limit can be increased later by EUR 5 million. The withdrawal period for loans drawn from the acquisition limit ends on February 28, 2027, and the maturity date of the limit is February 28, 2028.

The collateral terms and the provisions concerning the determination of interest rates remain unchanged.

The amended Financing Agreement contributes to the company's ability to continue executing its growth strategy through acquisitions.

Reconciliation of the carrying amount for Level 3 financial liabilities

Financial liabilities

EUR thousand	2024	2023
Opening balance and fair value at 1.1	**7,153**	**7,485**
Gains and losses recognised in profit or loss	1,112	-416
Purchases and business combinations	1,375	863
Sales and payments	-415	-778
Transfer into or out from level 3 fair value hierarchy	-90	-1
Closing balance of fair value 31.12	**9,134**	**7,153**

Available observable and unobservable inputs are used in these Level 3 financial liabilities valuations, i.e. future EBIT development estimations, valuation multiples and similar inputs that need management judgment. The Level 3 financial liabilities consist of contingent consideration liabilities.

The total amounts of liabilities are presented by maturity category in the following table.

31.12.2024

EUR thousand	Current Due < 1 year	Non-current Due within 1 - 2 years	Due within 2 - 3 years	Due within 3 - 4 years	Due within 4 - 5 years	Due > 5 years	Total
Loans from credit institutions	2,081	1,500	1,190	1,064	15,846	12	**21,693**
Leasing debt	2,949	1,730	774	494	102	62	**6,111**
Contingent consideration liabilities	8,609	150	376	-	-	-	**9,134**
Other liabilities	4,436	-	-	-	-	-	**4,436**
Received prepayments	214	-	-	-	-	-	**214**
Trade payables	2,984	-	-	-	-	-	**2,984**
Accruals and deferred income	7,297	-	-	-	-	-	**7,297**
Total	**28,571**	**3,379**	**2,340**	**1,558**	**15,948**	**74**	**51,871**

31.12.2023

EUR thousand	Current Due < 1 year	Non-current Due within 1 - 2 years	Due within 2 - 3 years	Due within 3 - 4 years	Due within 4 - 5 years	Due > 5 years	Total
Loans from credit institutions	2,140	4,249	9,503	4,342	-	-	**20,235**
Leasing debt	2,550	1,672	946	384	383	65	**6,001**
Contingent consideration liabilities	357	6,446	350	-	-	-	**7,153**
Other liabilities	3,858	-	-	-	-	-	**3,858**
Received prepayments	24	-	-	-	-	-	**24**
Trade payables	1,908	-	-	-	-	-	**1,908**
Accruals and deferred income	6,739	-	-	-	-	-	**6,739**
Total	**17,576**	**12,367**	**10,799**	**4,726**	**383**	**65**	**45,917**

4.2 FINANCIAL RISK MANAGEMENT

Financial risk management

Solwers' financial risk management aims to ensure the Group's financial stability and the availability of sufficient financing options in various market situations. The Group is exposed to various market risks. Changes in these risks affect the Company's assets, liabilities and anticipated business transactions.

Risks arise from changes in interest rates and exchange rates. Financial risk management is implemented as part of the Group's risk management. The basis for financial risk management is the principles of business continuity.

The situation of financial risks is regularly reported to the company's Board of Directors and management. The most significant decisions in principle concerning risk management are made by the company's Board of Directors. The Board handles all the most significant financial matters, such as the Group's external loan arrangements.

Subsidiaries are responsible for managing the risks associated with their own business and for forecasting their cash flows. Solwers' cash and liquidity remained at a good level throughout 2024.

Currency risk

The most significant source of currency risk is the Swedish krona through the business operations of the subsidiaries in Sweden, but also through bank loans denominated in Swedish kronor. Solwers do not actively hedge currency risks because the income and expenses of the business are generally in the same currency (so-called natural hedge). The translation risk arises both from translating Swedish subsidiaries' equity to parent company's operating currency EUR and also from the parent company's domestic loans denominated in foreign currencies (Swedish krona). The translation risk is not hedged.

Interest rate risk

Solwers is exposed to financial risks in its operations, such as the effects of changes in interest rates and the availability of competitive financing. Changes in the macroeconomic environment or the general situation in financial markets may adversely affect the availability, price, and other conditions of financing. An increase in interest rates could have an essential direct effect on the cost of the available financing and the Company's existing financing costs. An increase in interest rates may thus affect the company's cost of debt financing in the future. The interest rate risk is not hedged.

The company constantly strives to anticipate and monitor the need for financing its business so that the company has sufficient liquidity to finance its operations and to repay maturing loans.

Credit risk

Credit risk is the risk of financial loss arising if a customer fails to meet its contractual obligations. Credit risk relates to counterparties with open receivables or long-term agreements.

Ensuring the adequacy of the working capital is essential, as a significant part of the Group's business consists of project-based design work. The policies created to ensure this are the critical selection of reliable partners, risk-sharing through alliances with other competitors, the timely allocation of project costs to project revenues and the use of prepayment terms in clients' engagement agreements.

At the end of each reporting period, the Group companies assess whether there is objective evidence that a financial asset or a group of financial assets is impaired. If there is reasonable evidence of impairment, the financial asset is recorded as a credit loss. Credit losses are expensed in the statement of income .

The Solwers Group considers that there are indications of a credit loss as a rule if any of the following indications is present:

• Significant financial difficulties of the debtor
• Probability of the debtor's bankruptcy or other financial restructuring
• Default of payments

Information on trade receivables and expected credit losses is presented in Note 19 and accounting principles of these financial statements concerning also the expected credit loss model of Solwers Group. There have been no significant changes to Solwers Group's expected credit loss model or the expected credit losses themselves compared to previous year.

Liquidity risk

Liquidity risk refers to the risk of the Group's financial assets and sources of funding proving insufficient to fund its business operations or the risk of a situation where arranging such funding would result in substantial additional costs. Group aims to safeguard the Group's capacity to fund its operations and take care of its obligations.

The Group strives towards maintaining on optimal liquidity position in order to manage liquidity risk and to support Solwers business operations while avoiding financial distress (liquidity risk). Liquidity risk is managed by retaining sufficient short-term reserves of cash and equivalents along with utilizing short-to-mid-term financial assets e.g. deposits and securities. In addition, Group's objective is to minimize the liquidity risk by diversifying the maturity structure of the debt and loan facility portfolio.

At 31 December 2024, the Group had EUR 11.7 million of cash & equivalents balances available for the Group. Solwers sees the liquidity risk reasonably remote due to its healthy liquidity position.

Capital risk management

The capital invested in the Company's operations is monitored and controlled by the Company's management on an ongoing monthly basis during the financial year. The procedures for executing this, besides the monthly operative reporting, is also the management's periodic business reviews with each group Company following a rolling scheme. For potential new business combinations, the control starts already at the beginning of the acquisition negotiations and the due diligence process.

The Company's present long-term capital structure policy is to limit the Company's equity ratio to a minimum of 40 % on a consolidated level. Within the Group, this ratio may vary from company to company due to differences in the business operations of the subsidiaries, for example.

The Company's capital structure is furthermore controlled by means of two covenants stated in the terms of the financing agreement with the Company's major financing bank. These are:

Covenant 1:

$$\frac{\text{Adjusted Equity}}{\text{Adjusted Total Assets}}$$

Covenant 2:

$$\frac{\text{Interest-bearing liabilities}}{\text{EBITDA (12 months)}}$$

The current limit for Covenant 1 is a "minimum of 35%" and for Covenant 2 a "maximum value of 2,50".

Solwers monitors the two mentioned covenants level in its business at group level and responds with business and financial adjustments as needed. At the date of the financial statements, the value of Covenant 1 was 43.4% while Covenant 2 was 2.42. The Group hasn't had any covenant breaches.

Sensibility to Market Risk

EUR thousand	2024 (+)	2024 (-)	2023 (+)	2023 (-)
+10% /-10% SEK Currency risk to EBT	125	-125	266	-266
+2%-units /-2%-units Average Interest change to EBT	434	-434	328	-328

Above sensitivities for Solwers Group's most critical market risks are calculated by a change of the respective factor with other factors unchanged compared to those figures reported for the respective years (i.e., for interest cost changes, all variable financing taken into account with +/-2% interest rate level change other factors unchanged). Method of calculating sensitivities has been unchanged compared to previous year.

There have been no significant changes in risk positions of any Solwers Group financial compared to previous year.

4.3 SHAREHOLDER'S EQUITY

Company shares and share capital

Solwers Plc's share capital consists of one series of shares. Each share entitles its holder to one vote in the General Meeting and an equal dividend. The company's share (SOLWERS) is listed on the Nasdaq First North Growth Finland marketplace maintained by Nasdaq Helsinki Ltd. On 31 December 2024, the number of shares was 10,170,508 (2023: 9,915,067) and the share capital was EUR 1,000,000.

Shares have no nominal value, and all issued shares have been fully paid. On 31 December 2024, the company did not hold any treasury shares (2023: nil).

The Annual General Meeting held on 25 April 2024 authorised the Board of Directors to decide on the issuance of 1,000,000 shares in one or several tranches. The authorisation 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. During financial year 2024 the Board of Directors has exercised this authorisation to issue shares as presented in the below table.

Issued shares

Issue date	Operation	Number of shares issued
15 February 2024	Acquisiton of WiseGate AB	31,267
23 February 2024	Acquisition of Relitor AB	58,071
16 September 2024	Acquisition of Siren Arkkitehdit Oy	103,632
3 October 2024	Acquisition of Spectra Consult AB	62,471

Due to the above directed share issues, EUR 1,035 thousand (2023: EUR 394 thousand) has been recognized in the financial statements in the reserve for invested non-restricted equity. As a result, the Company's share capital has not increased during the financial year.

The change in the number of shares in the Company is presented in the following table.

Number of shares outstanding

pcs	2024	2023
Opening balance 1 January	9,915,067	9,833,562
Directed share issue 27 March 2023	-	81,505
Directed share issue 15 February 2024	31,267	-
Directed share issue 23 February 2024	58,071	-
Directed share issue 16 September 2024	103,632	-
Directed share issue 3 October 2024	62,471	-
Closing balance 31 December	**10,170,508**	**9,915,067**

The Annual General Meeting authorized the Board of Directors to decide upon the repurchase and on the acceptance as pledge of a maximum of 1,000,000 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 2025.

Also, the Board of Directors was authorised by the Annual General Meeting 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 Finnish Companies Act, in one or more tranches, so that based on the authorisation, a maximum of 500,000 new or existing shares held by the company can be issued. 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 2025.

The Board of Directors proposes to the Annual General Meeting that the profit for the financial year be transferred to retained earnings and that a dividend of EUR 0.024 per share, corresponding to EUR 244,092.19 in total, be paid from retained earnings.

With respect to the changes in equity, see the separate "Statement of changes in equity" included in the financial statements.

Share premium reserve

The company recognizes in the share premium reserve the amount received from shareholders when shares are issued at a price higher than their nominal value.

Other restricted reserves

The Group recognizes other restricted reservices for purposes that can be used only for specific purposes, and they cannot be freely distributed as dividends. Currently, the Group recognizes other restricted reserves for capitalized development expenses in Sweden primarily due to regulatory and statutory reporting requirements to restrict the companies' distributable funds. As the companies amortize on the capitalized development expenses, these funds become distributable again.

Reserve for invested unrestricted equity

Payments made for subscriptions of shares during the financial period 2024 were recognized in full in the reserve for invested unrestricted equity. Subscriptions due to acquisitions made during the year amounted to EUR 1,035 thousand (2023: EUR 394 thousand) all of which was recognised in the reserve for invested unrestricted equity.

OTHER NOTES

5.1 GROUP STRUCTURE

At the end of financial year 2024, Solwers Group consisted of the following companies owned directly or indirectly by the parent company Solwers Plc.

Subsidiaries - direct ownership	Holding-%
Finland	
Solwers Finland Oy	100,00 %
Sweden	
Solwers Sweden AB	100,00 %

Associated companies

During financial year 2024, the Group acquired a 33.33% share in One Planet Oy. For more details, refer to note 3.5.

Subsidiaries - indirect ownership	Parent company	Holding-%
Finland		
Accado Oy Ab	Solwers Finland Oy	91,00 %
Arkkitehdit Davidsson Tarkela Oy	Solwers Finland Oy	100,00 %
Contria Oy	Solwers Finland Oy	85,33 %
Finnmap Infra Oy	Solwers Finland Oy	97,20 %
Geounion Oy	Solwers Finland Oy	100,00 %
Inmeco Oy Rakennuskonsultit	Solwers Finland Oy	100,00 %
Insinööritoimisto Pontek Oy	Solwers Finland Oy	96,67 %
Insinööritoimisto W. Zenner Oy	Solwers Finland Oy	100,00 %
Kalliotekniikka Consulting Engineers Oy	Solwers Finland Oy	100,00 %
Lukkaroinen Arkkitehdit Oy	Solwers Finland Oy	100,00 %
LVI-insinööritoimisto Meskanen Oy	Solwers Finland Oy	100,00 %
Oy Polyplan Ab	Solwers Finland Oy	100,00 %
Solwers Kiinteistöt Oy	Solwers Finland Oy	100,00 %
Taitotekniikka Oy	Solwers Finland Oy	100,00 %
Plan Air Oy	Solwers Finland Oy	100,00 %
Siren Arkkitehdit Oy	Arkkitehdit Davidsson Tarkela Oy	100,00 %
Finexplo Oy	Kalliotekniikka Consulting Engineers Oy	100,00 %
Sweden		
DREEM AB	Solwers Sweden AB	100,00 %
ELE Engineering AB	Solwers Sweden AB	100,00 %
Enerwex AB	Solwers Sweden AB	91,00 %
Falk Construction Management AB	Solwers Sweden AB	100,00 %
KAM Redovisning AB	Solwers Sweden AB	100,00 %
Transport Consultancy Group Nordic AB	Solwers Sweden AB	100,00 %
LICAB AB	Solwers Sweden AB	100,00 %
LICAB East AB	Solwers Sweden AB (30%) + LICAB AB (70 %)	100,00 %
North 68 Consulting AB	LICAB AB	100,00 %
Establish Schening AB	Solwers Sweden AB	100,00 %
Relitor Engineering AB	Solwers Sweden AB	100,00 %
Reliske Engineering Skellefteå AB	Relitor Engineering AB	100,00 %
WiseGate AB	Solwers Sweden AB	100,00 %
WiseGate Consulting AB	WiseGate AB	100,00 %
Demab AB	WiseGate AB	100,00 %
TecNet AB	WiseGate AB	100,00 %
Spectra Consult AB	WiseGate AB	100,00 %
Rockplan Sweden AB	Finnmap Infra Oy (50 %) + Kalliotekniikka Consulting Engineers Oy (50 %)	98,60 %
Geo Survey Mätteknik AB	Finnmap Infra Oy (50 %) + Kalliotekniikka Consulting Engineers Oy (50 %)	98,60 %

5.2 RELATED PARTY TRANSACTIONS AND MANAGEMENT REMUNERATION

Accounting Policy

Parties are considered being related parties if one party has control, joint control or significant influence over the other party in financial or business decision-making.

Significant shareholders, subsidiaries and key persons in the management are classified as related parties of the parent company. Members of the board, the CEO, members of the Group's management team are in turn considered key persons in the management. In addition, close family members of the above key management persons are also classified as related parties.

Related party transactions

Related party transactions include transactions between Group companies and the members of the Board of Directors, the key members of the Company's management as well as their family members or companies under their control, joint control or significant influence. The related party transactions presented in the table below are on an accrual basis and carried out through Solwers Plc or Solwers Finland Oy.

Related party transactions by category

EUR thousand	2024	2023
Salary and other remuneration	856	591
Other operating expenses	42	6
Financial Income	4	2
Receivables from related parties		
Loan receivables	106	106

No new loans have granted to related parties during the fiscal year. Transactions with related parties are carried out with standard market terms.

A company recognised as a related party to the Group has provided a payment guarantee of EUR 0.5 million as security for the receivables, of equal amount, of a Solwers Group company due to uncertainty related to the receivables. The transactions between Solwers Plc and its subsidiaries have been eliminated in the consolidated financial statements and, therefore, are not reported in this note. The transactions between these parties have been carried out on market terms. Description on transactions with associated companies is described in Note 3.5.

Remuneration of management

The Annual General Meeting decides on the remuneration of the members of the Board. On 25 April 2024, the Annual General Meeting decided that the remuneration to paid to the members of the Board as well as to the Chairman of the Board is EUR 2,500 (EUR 2,000) per meeting, except the Chairman of the Board who is paid EUR 4,000 (EUR 2,000) per meeting.

The company's Board of Directors decides on the CEO's salary and other remuneration annually. The CEO's remuneration consists of a total salary, which includes a fixed monthly salary and a short-term incentive plan in the form of an annual performance bonus. In addition, the benefits for the CEO include supplementary pension insurance and a share-based incentive plan introduced in note 2.4 Personnel expenses.

Solwers CEO pension is provided according to the statutory Finnish Employees Pensions Act, for which a pension cost of EUR 100 thousand was recorded in 2024 (2023: EUR 100 thousand). Also, other Finnish members of the Leadership Team are entitled to a statutory pension. The retirement age for the Leadership Team members is determined in line with the statutory pension scheme. They have a period of notice of 6 months, and they are entitled to a severance pay of 6-12 months when notice comes from the company.

The company's key personnel receive a fixed monthly salary and a variable annual performance-based pay in accordance with the Group's incentive programme. The remuneration of key personnel is reviewed annually.

Remuneration

EUR thousand	2024	2023
Remuneration to the Board of Directors	312	80
Managing Director salary & remun. (incl. fringe benefits)	218	172
Management Team salary & remun. (incl. fringe benefits)	325	339
Total	**856**	**591**

Board of Directors and Management Team Holdings

Management holdings EUR thousand	Number of shares	Holding
Leif Sebbas 1)	286 340	2,8 %
Hanna-Maria Heikkinen	5 112	0,1 %
John Lindahl 2)	17 000	0,2 %
Johanna Grönroos	0	0,0 %
Emma Papakosta 3)	4 180	0,0 %
Stefan Nyström	247 000	2,4 %
Olli Kuusi	17 360	0,2 %
Total	**576 992**	**5,7 %**

1) Adding the total shareholding of FME Consulting Oy and CEB Invest Oy to the total shareholding 4,745,257 shares and ownership 47%
2) In addition to Topix Ab's indirect shareholding, a total of 47,000 shareholdings and a 0.5% shareholding
3) Nominee registered

5.3 COLLATERAL PROVIDED AND CONTINGENT LIABILITIES

Collateral to secure own commitments

EUR thousand	2024	2023
Floating charges, nominal value	41,506	40,780
Pledged subsidiary shares, carrying value	81,469	69,603
Total	**122,975**	**110,383**
Pledged as security for		
Loans from credit institutions	34,293	26,870

Other collateral to secure own commitments

EUR thousand	2024	2023
Pledged bank deposits	218	225
Guarantees	155	122
Total	**372**	**347**
Pledged as security for		
Rental commitments	218	225
Subsidiary loans, overdraft limits and guarantees	56	97
Total	**274**	**322**

Solwers Plc has pledged the majority of its subsidiary shares in order to fulfil the collateral requirements for its senior facility loans. Moreover, Solwers Plc has rendered a general security commitment to its main financing bank to shield for subsidiary company commitments. There are no other significant terms and conditions associated with the use of collateral.

Future minimum lease payments (incl. VAT)

EUR thousand	2024	2023
Due before the end of the next financial year	11,171	2,643
Due beyond the end of the next financial year	4,921	3,471
Total	**16,093**	**6,114**

Lease liabilities presented in long-term and short-term interest-bearing liabilities form a significant part of the total of EUR 6,114 thousand (EUR 6,218 thousand) of the above minimum future leases.

Contingent liabilities

Solwers' Finnish subsidiary Finnmap Infra Oy received a compensation claim filed with the Helsinki District Court by Kreate Oy. The case was initiated on 17 February 2025. The total amount of the claim is approximately EUR 2.46 million (see Note 5.4). The Company considers the claim to be unfounded and no provision has been recorded related to the claim.

Related to the provision recorded for the repaid social security subsidies (see note 3.9), ELE Engineering AB has received similar subsidies covering a twelve-month period in years 2023-2024 for an amount of EUR 0.4 million, the Swedish Tax Authority hasn't presented any claim with respect to the aforementioned. The Group views the subsidies as duly received.

5.4 DISPUTES AND POTENTIAL LITIGATIONS

The business activities of the subsidiaries of Solwers Plc involve the risk of design errors, which may lead to liability for damages towards a contracting partner. Risks are managed in accordance with market practice through active project management and consultant liability insurance.

The Company's subsidiary Finnmap Infra Oy received a compensation claim filed on 17 February 2024 with the Helsinki District Court by Kreate Oy. The total amount of the claim is approximately EUR 2.46 million. In addition, Kreate Oy has demanded payment of party costs and legal fees incurred due to the claim process. The parties have been in settlement negotiations since 2023. Solwers considers the claim to be unfounded and will dispute the claims in their entirety, both in terms of their basis and amount. Finnmap Infra Oy will present its own compensation claims to Kreate Oy. Solwers does not see the claim having a significant impact on the group's operations. The company also has liability insurance taken out on standard terms, which is intended to cover costs resulting from any possible design errors.

There are no other significant claims or pending litigations.

5.5 EVENTS AFTER THE REPORTING PERIOD

On 1 February 2024, the Company issued a negative profit warning regarding EBIT being lower than anticipated at the end of 2024. The Company anticipated, based on preliminary and unaudited information, that the Group's IFRS EBIT for the last quarter was close to zero (EUR 1.45 million). Although the Company had not provided a numerical guidance, the level of anticipated EBIT level was lower than what could be concluded from previously published information.

On 17 February 2024 a compensation claim was filed against a Solwers Group subsidiary Finnmap Infra Oy (see note 5.4).

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	Sum of the Solwers companies' sales margins / (company1 sales margin / company1 invoicing rate) + (company2 sales margin / company2 invoicing rate) + … + (company sales margin / company invoicing rate) where n = the number of Solwers companies for which the invoicing rate is an applicable performance Indicator
EBITDA	EBITDA = EBIT + depreciation, amortization and impairment of tangible and intangible assets
EBITDA %	EBITDA % = (EBIT + depreciation, amortization and impairment of tangible and intangible assets) / revenue x 100
EBITA	Adjusted EBIT excluding depreciation, amortization and impairment of intangible assets and leased premises = EBIT + amortization of intangible assets and leased premises + impairment
EBITA-%	Adjusted EBIT % = (Operating profit + amortization of intangible assets and leased premises depreciation of intangible assets + impairment) / revenue x 100
EBIT	Operating profit
EBIT-%	EBIT / revenue x 100
EBT	Profit before taxes
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
Net Debt excluding Leasing Debt	Interest-bearing 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

Solwers Plc

Financial Statements 2024

PARENT COMPANY (FAS)

PARENT COMPANY INCOME STATEMENT, FAS

EUR thousand	NOTE	2024	2023
REVENUE	3	**1,449**	**1,225**
Other operating income		53	-
Materials and services		-125	-77
Personnel costs	4	-1,091	-703
Amortization, depreciation and impairment	5	-2	-2
Other operating expenses	6	-1,571	-749
OPERATING RESULT		**-1,288**	**-307**
Financial income and expenses	7	579	-142
RESULT BEFORE APPROPRIATIONS AND TAXES		**-709**	**-448**
Appropriations	8	745	100
NET RESULT FOR THE FINANCIAL YEAR		**36**	**-348**

PARENT COMPANY STATEMENT OF FINANCIAL POSITION, FAS

EUR thousand	NOTE	31 December 2024	31 December 2023
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	9	5	7
Investments	10	29,245	28,945
Receivables	11	28,678	23,104
NON-CURRENT ASSETS, TOTAL		**57,928**	**52,056**
CURRENT ASSETS			
Inventories	12	-	105
Receivables	13	6,999	3,100
Cash and cash equivalents		4,394	8,932
CURRENT ASSETS, TOTAL		**11,393**	**12,137**
ASSETS, TOTAL		**69,321**	**64,193**

EUR thousand	NOTE	31 December 2024	31 December 2023
EQUITY AND LIABILITIES			
EQUITY			
Subscribed capital		1,000	1,000
Share premium account		20	20
Other reserves		37,418	36,383
Retained earnings		344	1,333
Profit for the financial year		36	-348
EQUITY, TOTAL	14	**38,818**	**38,387**
LIABILITIES			
Non-current liabilities	15	19,281	17,145
Current liabilities	16	11,222	8,661
LIABILITIES, TOTAL		**30,503**	**25,806**
EQUITY AND LIABILITIES, TOTAL		**69,321**	**64,193**

PARENT COMPANY CASH FLOWS, FAS

EUR thousand	2024	2023
Cash flow from operating activities		
Profit before appropriations and taxes	36	-348
Adjustments		
Amortization, depreciation and impairment	2	2
Financial income and costs (net)	-641	142
Received group contributions	-745	-100
Cash flow before change of working capital	-1,348	-304
Change of working capital		
Change of inventories	105	0
Change of current non-interest bearing receivables	-386	-830
Change of current non-interest bearing payables	-235	-76
Change of net working capital, total	-516	-906
Financial net and income tax		
Interest received	-234	195
Interest paid on loans and other interest bearing loans	-1,231	-878
Other financial items paid and received (net)	-258	-59
Financial net and income tax, total	-1,722	-743
Net cash flow from operating activities	**-3,586**	**-1,953**
Cash flow from investment activities		
Divestment (+) / investment (-) in non-current receivables	-4,953	-3,008
Investment in participating interests	-300	0
Net cash flow from investment activities	**-5,253**	**-3,008**
Cash flow from financing activities		
Dividends paid	-638	-720
Loans withdrawn from credit institutions	22,426	2,304
Repayment of loans and other interest bearing debts	-21,442	-1,665
Change of other interest -bearing liabilities	3,982	4,920
Received and paid group contributions net	0	710
Net cash flow from financing activities	**4,327**	**5,548**
FX-impact on cash held in foreign currencies	-27	3
Change of cash and cash equivalents	-4,538	590
Cash and cash equivalents, opening balance	8,932	8,342
Cash and cash equivalents, closing balance	**4,394**	**8,932**

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS, FAS

1. GENERAL INFORMATION ABOUT THE COMPANY

Solwers Plc (Business ID 0720734-6) is a Finnish public limited company incorporated under Finnish law. It has its registered head office in Espoo at Kappelikuja 6 B. The Company's domicile is Kauniainen.

Solwers Plc's financial statements have been prepared in accordance with the Finnish Accounting Standards (FAS) and other Finnish corporate and tax legislation guiding the preparation and presentation of financial statements.

2. ACCOUNTING PRINCIPLES

Accrual principle

The accrual principle is the most important guiding principle for the recognition of income and expense in the income statement. Further information on the accounting policies applied is presented below to the extent that more detailed disclosure is deemed necessary to understand the content of the financial statements.

Revenue recognition

Income is recognised as income in the income statement at the time when the customer has received the services that are the subject of the transaction. As Solwers Plc's main source of income is the services it provides to its subsidiaries, the passage of time is a decisive factor in revenue recognition.

Employee expenses

Salaries and social security contributions are recognised as an expense in the income statement in accordance with the accrual principle. The same applies to all other personnel costs, including voluntary personnel costs. Since the Company's statutory TyEL pension scheme is classified as a defined contribution plan, pension insurance premiums are also recognised as an expense in accordance with the accrual principle described above.

Non-current assets

Fixed tangible assets are recognised and presented at initial acquisition cost less annual amortisation and any impairment losses recognised separately. The recognition of depreciation is based on the estimate of the useful life of the assets.

Shares in subsidiaries are recognised and presented at initial acquisition cost less annual amortisation and any impairment losses recognised separately. In addition to the acquisition cost, their original cost includes all indirect costs incurred from or related to the acquisition.

Current receivables

Current receivables are generally recognised at initial acquisition cost, but not at a value higher than the estimated amount that can be recovered from them in the future based on the management's estimate. The estimates made by the Company's management are based on the prevailing market situation and other factors known at the time of the preparation of the financial statements that affect the valuation of the receivables.

Classification of current and non-current assets, receivables and liabilities

Tangible and intangible assets are classified as non-current when their estimated economic life exceeds 12 months. Assets that do not meet this condition are classified as current assets.

Receivables are classified as non-current when their future recoverable cash flow is estimated to be realised later than 12 months after the end of the financial year. Receivables that do not meet this condition are classified as current receivables.

Debt items are classified as non-current when their future cash outflow is estimated to be realised later than 12 months after the end of the financial year. Debt items that do not meet this condition are classified as current.

Items in foreign currencies

Transactions in foreign currencies are recorded in euros at the exchange rate on the transaction date. At the end of the financial year, receivables and payables denominated in foreign currencies are measured at the exchange rates effective on the financial statements date. Exchange gains and losses are presented in the profit and loss account item in which the transaction that caused the exchange difference is recorded.

3. REVENUE

Revenue, break-down by category

EUR thousand	2024	2023
Management fee income from group companies	1,449	1 225
Total	**1,502**	**1,225**

4. EMPLOYEE EXPENSES AND NUMBER OF EMPLOYEES

Personnel costs, break-down by category

EUR thousand	2024	2023
Salaries, wages and other remuneration	-954	-580
Pension costs	-114	-97
Compulsory social charges	-19	-13
Other voluntary employee expenses	-60	-64
Total	**-1,147**	**-754**

Number of employees

	2024	2023
Average during the financial year	6	4
At the end of the financial year	6	4

Voluntary personnel expenses of EUR 51 thousand have been reclassified in the prior year 2023 figures from Personnel expenses to Other operating expenses.

5. DEPRECIATION, AMORTISATION AND IMPAIRMENT

Amortization, depreciation and impairment of non-current assets

EUR thousand	2024	2023
Depreciation of tangible non-current assets	-2	-2
Total	**-2**	**-2**

6. OTHER OPERATING EXPENSES

Other operating expenses, break-down category

EUR thousand	2024	2023
Voluntary employee expenses	-56	-51
Business premises expenses	-86	-38
ICT expenses	-71	-64
Travel expenses	-38	-40
Machinery and equipment expenses	-33	-35
Marketing expenses	-49	-55
Administrative services expenses	-702	-181
Other administration expenses	-311	-125
Other operating expenses	-225	-160
Total	**-1,571**	**-749**

Voluntary personnel expenses of EUR 51 thousand have been reclassified in the prior year 2023 figures from Personnel expenses to Other operating expenses.

Other operating expenses, specified by group internal and external expenses

EUR thousand	2024	2023
Group internal expenses	-225	-160
External expenses	-	-
Total	**-225**	**-160**

Fees to auditors, summarized by cost category

EUR thousand	2024	2023
Audit fees	-42	-10
Tax consultation fees	-	-
Other assignments as referred to in the Finnish Auditing Act	-43	-
Total	**-85**	**-10**

7. FINANCIAL INCOME AND EXPENSES

Financial income and expenses, break-down by category

Financial income

EUR thousand	2024	2023
Dividend income from subsidiaries	1,750	-
Interest income from subsidiaries	934	558
Other interest income	169	146
Foreign currency exchange rate gains	1,496	1441
Total	**4,349**	**2,145**

Financial expenses

EUR thousand	2024	2023
Interest expenses on loans from credit institutions	-1,159	-882
Foreign currency exchange rate losses	-2,311	-1,343
Other financial expenses	-301	-62
Total	**-3,770**	**-2,287**

Net financial income and expenses	**579**	**-142**

8. APPROPRIATIONS

Appropriations, break-down by category

EUR thousand	2024	2023
Group contributions received	745	100
Total	**745**	**100**

9. TANGIBLE ASSETS

Movement of machinery and equipment

EUR thousand	2024	2023
Carrying value, opening balance 1 January	**7**	**9**
Depreciation	-2	-2
Closing balance 31 December	**5**	**7**

10. NON-CURRENT INVESTMENTS

Movement of non-current investments

Subsidiary shares and participations

EUR thousand	2024	2023
Acquisition cost, opening balance 1 January	**28,945**	**28,945**
Additions	300	-
Closing balance 31 December	**29,245**	**28,945**

Shareholdings in subsidiaries 31 December 2024, specified by country

	Domicile	Acquisition Date	Holding
Finland			
Direct ownership			
Solwers Finland Oy	Espoo	01.12.2022	100,00 %
Indirect ownership			
Accado Oy Ab	Espoo	13.10.2017	91,00 %
Arkkitehdit Davidsson Tarkela Oy	Helsinki	3.7.2018	100,00 %
Contria Oy	Vaasa	18.12.2018	85,33 %
Finnmap Infra Oy	Helsinki	31.12.2016	97,20 %
Geounion Oy	Helsinki	29.10.2020	100,00 %
Inmeco Oy Rakennuskonsultit	Jyväskylä	26.2.2022	100,00 %
Insinööritoimisto Pontek Oy	Espoo	21.12.2017	96,67 %
Insinööritoimisto W. Zenner Oy	Helsinki	17.12.2018	100,00 %
Kalliotekniikka Consulting Engineers Oy	Helsinki	20.6.2017	100,00 %
Lukkaroinen Arkkitehdit Oy	Oulu	30.11.2022	100,00 %
LVI-insinööritoimisto Meskanen Oy	Oulu	21.5.2022	100,00 %
Oy Polyplan Ab	Vaasa	23.3.2018	100,00 %
Solwers Kiinteistöt Oy	Helsinki	20.6.2017	100,00 %
Taitotekniikka Oy	Helsinki	13.12.2018	84,37 %
Plan Air Oy	Oulu	15.12.2023	100,00 %
Siren Arkkitehdit Oy	Helsinki	4.7.2024	100,00 %
Finexplo Oy	Helsinki	28.3.2024	100,00 %
Sweden			
Direct ownership			
Solwers Sweden Ab	Stockholm	31.12.2017	100,00 %
Indirect ownership			
Dreem AB	Gothenburg	22.8.2019	100,00 %
ELE Engineering AB	Västerås	30.12.2021	100,00 %
Enerwex AB	Växjö	16.10.2020	91,00 %
Falk Construction Management AB	Kista	29.10.2021	100,00 %
Geo Survey Mätteknik AB	Stockholm	20.6.2017	98,60 %
KAM Redovisning AB	Stockholm	14.6.2019	100,00 %
North 68 Consulting AB	Kiruna	14.9.2023	100,00 %
Transport Consultancy Group Nordic AB	Stockholm	21.3.2023	100,00 %
Licab AB	Luleå	18.8.2020	100,00 %
Licab East AB	Luleå	18.8.2020	100,00 %
Establish Schening AB	Stockholm	17.5.2022	100,00 %
Rockplan Sweden AB	Stockholm	20.6.2017	98,60 %
Relitor Engineering AB	Luleå	26.1.2024	100,00 %
Reliske Engineering Skellefteå AB	Skellefteå	26.1.2024	100,00 %
WiseGate AB	Malmö	9.1.2024	100,00 %
WiseGate Consulting AB	Malmö	9.1.2024	100,00 %
Demab AB	Helsingborg	9.1.2024	100,00 %
TecNet AB	Malmö	9.1.2024	100,00 %
Spectra Consult AB	Skövde	19.8.2024	100,00 %

11. NON-CURRENT RECEIVABLES

Non-current receivables specified by category

EUR thousand	2024	2023
Loan Receivables from group companies	27,754	22,068
Loan receivables	903	1,018
Security cash deposits	21	18
Other receivables	-	-
Total	**28,678**	**23,104**

Loan receivables consist of loans granted by Solwers Plc to key personnel.

12. INVENTORIES

Inventories

EUR thousand	2024	2023
Work in progress	-	105
Total	**-**	**105**

13. CURRENT RECEIVABLES

Current receivables specified by category

EUR thousand	2024	2023
Receivables from group companies	6,786	3,044
Prepaid expenses and accrued income	162	54
Share issue receivables	18	3
Other receivables	34	-
Total	**6,999**	**3,100**

Receivables from group companies consist of the following items

EUR thousand	2024	2023
Trade receivables	164	341
Loan receivables	2,034	1,032
Prepaid expenses and accrued income	1,504	1,083
Dividend receivables	1,750	-
Group contribution receivables	1,333	588
Total	**6,786**	**3,044**

14. SHARES AND SHARE CAPITAL

Company's shares

Solwers Plc's share capital consists of one series of shares. Each share entitles its holder to one vote in the General Meeting and an equal dividend. The company's share (SOLWERS) is listed on the Nasdaq First North Growth Finland marketplace maintained by Nasdaq Helsinki Ltd. On 31 December 2024, the number of shares was 10,170,508 (2023: 9,915,067) and the share capital was EUR 1,000,000.

Shares have no nominal value, and all issued shares have been fully paid. On 31 December 2024, the company did not hold any treasury shares (2023: nil).

Share issue authorization granted by the Annual General Meeting to the Board of Directors

The Annual General Meeting held on 25 April 2024 authorised the Board of Directors to decide on the issuance of 1,000,000 shares in one or several tranches. The authorisation 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. During financial year 2024 the Board of Directors has exercised this authorisation to issue shares as presented in the below table.

Issued shares

Issue date	Operation	Number of shares issued
15 February 2024	Acquisiton of WiseGate AB	31,267
23 February 2024	Acquisition of Relitor AB	58,071
16 September 2024	Acquisition of Siren Arkkitehdit Oy	103,632
3 October 2024	Acquisition of Spectra Consult AB	62,471

Due to the above directed share issues, EUR 1,035 thousand (2023: EUR 394 thousand) has been recognized in the financial statements in the reserve for invested non-restricted equity. As a result, the Company's share capital has not increased during the financial year.

Number of shares in the Company

The change in the number of shares in the Company is presented in the following table.

Number of shares outstanding

pcs	2024	2023
Opening balance 1 January	9,915,067	9,833,562
Directed share issue 27 March 2023	-	81,505
Directed share issue 15 February 2024	31,267	-
Directed share issue 23 February 2024	58,071	-
Directed share issue 16 September 2024	103,632	-
Directed share issue 3 October 2024	62,471	-
Closing balance 31 December	**10,170,508**	**9,915,067**

The Annual General Meeting authorized the Board of Directors to decide upon the repurchase and on the acceptance as pledge of a maximum of 1,000,000 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 2025.

Also, the Board of Directors was authorised by the Annual General Meeting 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 Finnish Companies Act, in one or more tranches, so that based on the authorisation, a maximum of 500,000 new or existing shares held by the company can be issued. 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 2025.

The Board of Directors proposes to the Annual General Meeting that the profit for the financial year be transferred to retained earnings and that a dividend of EUR 0.024 per share, corresponding to EUR 244,092.19 in total, be paid from retained earnings.

Movement in equity

Restricted equity

EUR thousand	2024	2023
Subscribed capital		
Opening balance 1 January	1,000	1,000
Closing balance 31 December	**1,000**	**1,000**
Share premium reserve		
Opening balance 1 January	20	20
Closing balance 31 December	**20**	**20**
Total restricted equity, closing balance 31 December	**1,020**	**1,020**

Unrestricted equity

EUR thousand	2024	2023
Invested unrestricted equity reserve		
Opening balance 1 January	36,383	35,989
Directed share issue 27 March 2023	-	394
Directed share issue 15 February 2024	134	-
Directed share issue 23 February 2024	277	
Directed share issue 16 September 2024	400	-
Directed share issue 3 October 2024	224	-
Closing balance 31 December	**37,418**	**36,383**
Retained earnings		
Opening balance 1 January	985	2,057
Dividend distribution	-640	-724
Closing balance 31 December	**344**	**1,333**
Profit for the period	36	-348
Total unrestricted equity, closing balance 31 December	**37,798**	**37,367**
Total equity, closing balance 31 December	**38,818**	**38,387**

Calculation of distributable equity

EUR thousand	2024	2023
Invested unrestricted equity reserve	37,418	36,383
Retained earnings	344	1,333
Profit for the period	36	-348
Distributable equity	**37,798**	**37,367**

15. NON-CURRENT LIABILITIES

Interest bearing

EUR thousand	2024	2023
Loans from credit institutions	18,981	17,145
Liabilities to group companies	300	-
Total	**19,281**	**17,145**

Loans from financial institutions and lease liabilities

Of the loans from financial institutions, EUR 4,363 (1,341) thousand are foreign currency loans in Swedish krona. The weighted average interest rate on loans from financial institutions is 4.79 (5.57)%.

16. CURRENT LIABILITIES

Current liabilities, break-down by category

Interest bearing

EUR thousand	2024	2023
Loans from credit institutions	1,183	2,041
Total	**1,183**	**2,041**
Non-interest bearing		
Liabilities to group companies	9,584	6,238
Other liabilities	35	57
Trade payables	126	74
Accruals and deferred income	295	250
Total	**10,040**	**6,620**
Total	**11,222**	**8,661**

Other non-interest bearing liabilities

Non-interest bearing liabilities to group companies consist of the following items

EUR thousand	2024	2023
Global cash pool liability	9,507	5,825
Other Current Liabilities	41	-
Accounts payable	36	3
Other accruals	-	411
Total	**9,584**	**6,238**

Accruals and deferred income consist of the following major items

EUR thousand	2024	2023
Holiday pay provisions and other salary accruals	85	56
Pension cost accruals	13	9
Other compulsory social charge accruals	2	2
Interest accruals	72	102
Other accruals	124	80
Total	**295**	**250**

17. COLLATERAL PROVIDED AND CONTINGENT LIABILITIES

Collateral to secure own commitments

EUR thousand	2024	2023
Floating charges, nominal value	39,000	39,000
Pledged subsidiary shares, carrying value	28,945	28,945
Total	**67,945**	**67,945**
The above floating charges and subsidiary shares have been pledged for		
Loans from credit institutions	20,163	19,186

Other collateral to secure own commitments

EUR thousand	2024	2023
Pledged bank deposits	21	18
Guarantees	81	122
Total	**102**	**140**
The above bank deposits and guarantees have been pledged for		
Lease commitments (future minimum lease payments incl. VAT)	46	43
Subsidiary loans and bank overdraft limits from credit institutions	56	97
Total	**102**	**140**

Future minimum lease payments (incl. VAT)

EUR thousand	2024	2023
Due before the end of the next financial year	121	49
Due beyond the end of the next financial year	20	13
Total	**141**	**62**

Contingent liabilities

Solwers Oyj indirect subsidiary Finnmap Infra Oy received a compensation claim filed with the Helsinki District Court by Kreate Oy. The case was initiated on 17 February 2025. The total amount of the claim is approximately EUR 2.46 million. The Company considers the claim to be unfounded and no provision has been recorded related to the claim.

18. EVENTS AFTER THE REPORTING DATE

On 1 February 2024, the Company issued a negative profit warning regarding EBIT being lower than anticipated at the end of 2024. The Company anticipated, based on preliminary and unaudited information, that the Group's IFRS EBIT for the last quarter was close to zero (EUR 1.45 million). Although the Company had not provided a numerical guidance, the level of anticipated EBIT level was lower than what could be concluded from previously published information.

On 17 February 2024 a compensation claim was filed against a Solwers Group subsidiary Finnmap Infra Oy (see note 17).

SIGNATURES OF THE BOARD OF DIRECTORS' REPORT AND FINANCIAL STATEMENTS

SIGNATURES OF THE BOARD OF DIRECTORS

Espoo, 20 March 2025

Leif Sebbas	John Lindahl	Johanna Grönroos
Chairman of the Board	Board member	Board member
Hanna-Maria Heikkinen	Emma Papakosta	Stefan Nyström
Board member	Board member	CEO

AUDITOR'S NOTE

A report on the audit carried out has been submitted today.

Helsinki, 20 March 2025

Grant Thornton Oy

Audit firm

Satu Peltonen, APA

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AUDITOR´S REPORT (Translation of Finnish original)

To the Annual General Meeting of Solwers Oyj

Report of the Audit of Financial Statements

Opinion

We have audited the financial statements of Solwers Oyj (business identity code 0720734-6)) for the year ended 31.12.2024. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor´s Responsibilities in the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions

If, based on the work we have performed, we conclude that there is a material misstatement in the report of the Board of Directors, we are required to report this fact. We have nothing to report in this regard.

In Helsinki, 20th March 2025

Grant Thornton Oy
Audit firm

Satu Peltonen
Authorized Public Accountant