

SOLWERS

| Annual Review **2022**

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Solwers

– sustainable design and engineering

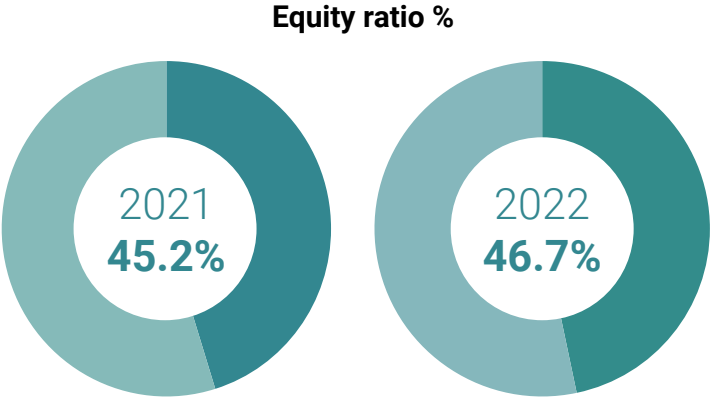
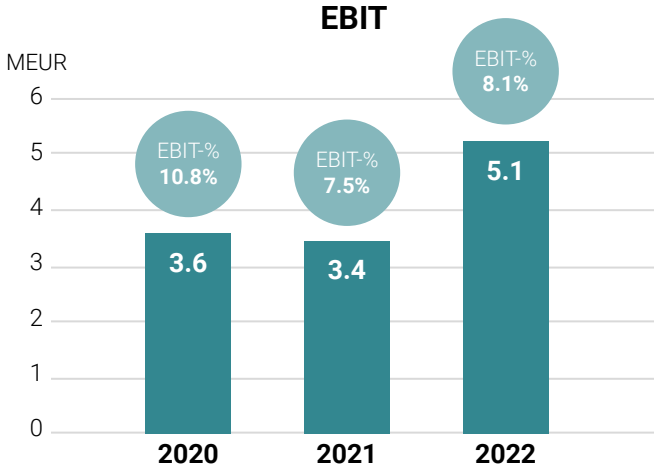
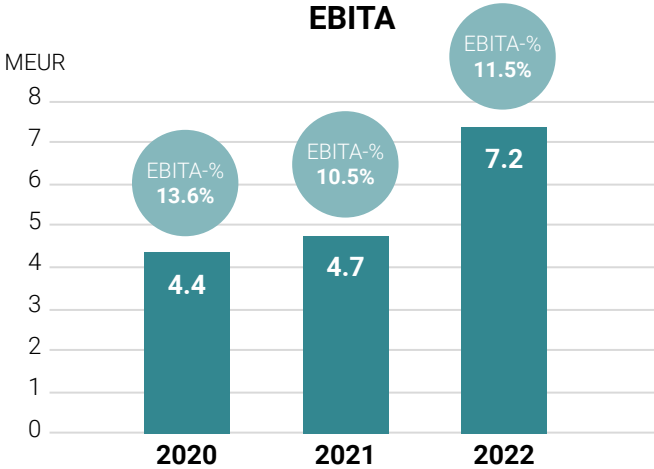
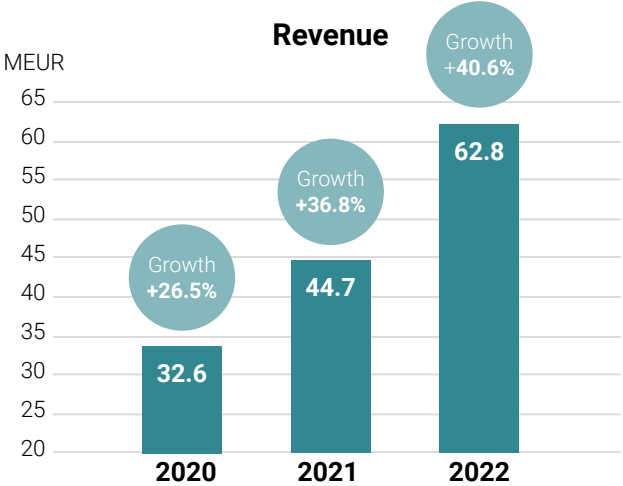
Solwers develops and creates sustainable solutions for its customers by combining the different methods and expertise of experts from a wide network of subsidiaries.

Solwers provides architectural design, technical consulting, electrical, automation and power transmission engineering, environmental and project management-related services, circular economy, digital and logistics solutions as well as financial management services in Finland and Sweden.

Today, the rapidly growing Group consists of 24 subsidiaries operating under their own names and it employs almost 600 experts.



Strong growth



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

CEO's review

The year 2022 was a good one for Solwers, despite the market uncertainty, and both the order stock and invoicing rate remained at a stable level.

Our growth was strong, mainly due to the acquisitions made. In Sweden, we acquired Establish Schening, a logistics solutions consultancy. In Finland, we acquired Arkkitehtitoimisto Sabelström Arkitehtkontor, a well-known player in the south-west Finland region, to strengthen the position of our subsidiary Lukkaroinen Arkkitehdit in the area. The new companies will expand both their own and other Solwers companies' service offerings and customer base. However, due to the circumstances, we were cautious in our acquisitions and looked for businesses with less cyclical activity.

Solwers companies have a large client base in different locations in two countries and we deliver thousands of projects every year, with services ranging from design services to project management, financial management and other specialist services. During the review year, our company handled an estimated 3,300 projects, the vast majority of which were orders of less than EUR 10,000. About half of our order book is for public projects – such as hospitals, schools and museums – and infrastructure projects – such as roads, bridges, streets and tunnels.

Interesting projects throughout the year

Projects during the review year included Lukkaroinen Architects' ongoing large hospital projects in Oulu,

Helsinki and Espoo; the Savilahti campus project, which is designed to the Swan Ecolabel criteria, and the Kuopio Senior High School of Arts (Lumit) project which is based on an architecture competition won by the Lukkaroinen team. A good example of cooperation between the Solwers companies is the Savilahti Multipurpose Centre in Kuopio. The project involves extending the old storage tunnels previously used by the Finnish Defence Forces into one large multi-purpose hall. Architects Davidsson Tarkela are responsible for the architectural design, Pontek for the structural engineering, Rockplan for the rock engineering and Kalliotekniikka for the noise and vibration measurements.

The Norrbotten line is planned between Umeå and Luleå, with our Swedish subsidiary Licab responsible for project management, technical support, and safety issues, for example. Licab plays a major role in the implementation of the ERTMS system (European Rail Traffic Management System), in which the customer, Swedish Trafikverket, utilizes Licab's expertise in design, contracting, commissioning, construction management and supervision. ELE Engineering's experts were employed by well-known major clients to develop industrial process solutions and train coupling systems, and their other projects ranged from cable management for offshore wind farms to next-generation substations and power transmission solutions.

Aiming at further growth

To support our growth strategy, we agreed in May with our main bank on an extension and changes to our financing agreement. A EUR 15 million loan limit for acquisitions was added to the agreement and investment restrictions were eased. In December, we also carried out a directed share issue, which increased our invested capital by EUR 4.5 million, with the participation of Familjen Kamprads stiftelse, Mutual Pension Fund Elo, Säästöpankki Pienyhtiöt Sijoitusrahasto, Sijoitusrahasto eQ Europa Pienyhtiö, Handelsbanken Finska Småbolags Fonden, Mutual Pension Fund Varma, Fondita European Micro Cap Placeringsfond, Aktia Mikro Markka and CEB Invest Oy.

In 2023, we aim to continue our growth through acquisitions and keep profitability on a good level, further develop cooperation between our subsidiaries, and strengthen our competencies. A good early-year order stock, together with our diversified service portfolio and operations in two countries support and balance the achievement of our medium-term objectives.

Stefan Nyström
CEO



Solwers' vision is to be the preferred partner for its customers in visionary and sustainable design and engineering.

**TO GROW
ORGANICALLY**

Energy production, power transmission systems and automation solutions as well as circular economy projects increase the demand of our expertise

**TO GROW
THROUGH
ACQUISITIONS**

Active growth with a unique concept and light integration

**TO BE
A GOOD
EMPLOYER**

Continuous skills development
Strengthening subsidiaries' own working cultures

Solwers mission is to create unique and smart living environments.

Outlook 2023

Solwers' good order backlog at the beginning of the year will support the positive development of the revenue.

The M&A market has remained active, and acquisitions are planned to be continued further.

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

Mid-term financial targets

GROWTH

Revenue growth over 20%
(12 months)

PROFITABILITY

**EBITA margin
over 12%**

EQUITY RATIO

Over 40%

Solwers companies

Solwers provides architectural design, technical consulting, electrical, automation and power transmission engineering, environmental and project management related services, circular economy, digital and logistics solutions as well as financial management services.

Finland

ACCADO

GcoUnion Oy

LVI-INSINÖÖRITOIMISTO
MESKANEN

ARKKITEHTITOIMISTO
SABELSTRÖM
ARKITEKTKONTOR OY

INMECO
RAKENNUSKONSULTIT

POLYPLAN

aDT
Davidsson Tarkela
Architects

Zenner

PONTEK oy

CONTRIA

KALLIOTEKNIikka
CONSULTING ENGINEERS OY

ROCKPLAN

Finnmap
Infra

LUKKAROINEN

taitotekniikka.fi

Sweden

ELE
ENGINEERING

FALK CM
Falk Construction Management

ENERWEX

Establish Schening

KAM
REDOVISNING AB

Licab

DREEM

since 2023

TCG NORDIC

We are SOLWERS



Sustainability

Solwers is a responsible owner and supports the growth, development and success of its subsidiaries.

Solwers actively seeks out new companies, and investment decisions are made not only on the basis of financial considerations but also on special expertise in sustainability, such as circular economy, environmental issues and energy. These acquisitions support long-term success and Solwers' vision to be the preferred partner for its clients in the creative and sustainable design of new living environments. The success of the subsidiaries is supported in areas such as business expertise, innovation, skills development and financing.

Governance

Solwers operates openly and transparently in accordance with good governance and promoting the diversity of the work community. Our companies share the Code of Conduct principles. For the companies we own, we want to be an enabler of development and a long-term, committed owner and partner that supports the development opportunities of our employees. The specific expertise of Solwers' Board members supports leadership in the field of digitalization and circular economy while ensuring the delivery of economic benefits to the company's shareholders.

Environment

Concerning environmental issues, Solwers' handprint is strongly visible in its customer work. The environmental impact of own activities is low. The sustainability shift in the

construction sector offers companies the opportunity to use their expertise to help clients achieve their environmental and circular economy goals. Staff competences are a key element of customer engagement and are continuously developed through industry training, internal workshops and day-to-day project work.

Solwers' expert services include sustainable solutions for low-carbon construction, circular economy, biodiversity enhancement and climate change adaptation. Environmental expertise is applied at different stages of planning, infrastructure and construction projects, for example, by designing natural green spaces, recycling building materials and optimizing the energy consumption and environmental impact of a building's life cycle. In 2022, sites designed by the Solwers companies have been awarded several environmental certifications, such as the Swan Ecolabel or the RTS environmental rating.

The companies' own operations take environmental impacts into account, and some have established environmental programs and systems and calculated the carbon footprint of their own operations.

Social responsibility

Social responsibility is an important part of staff well-being. No harassment or inappropriate behaviour of any kind is tolerated in Solwers companies. Shared values and ethical

guidelines provide the basis for a healthy and supportive working culture. Every member of the work community has a responsibility for the well-being and atmosphere of the work community and good workplace skills are an essential part of today's professional competence.

Solwers values diversity and offers opportunities equally regardless of gender, age, religion or other personal characteristics. The Solwers companies promote well-being at work and cherish their long-standing traditions and culture. Management training is regularly organized and common channels for internal communication are developed. Every year, the managing directors of the subsidiaries meet for a joint strategy day and in the reporting year a two-part project manager training program was organized for specialists.

The coronavirus pandemic was particularly felt in the first half of the year in the Solwers companies. All companies took the necessary precautions to protect their staff and continued to do so as necessary, as well as recommending remote working to mitigate the pandemic.

The Pulse survey measuring employee job satisfaction is carried out at least once a year. In 2022, the eNPS* of Finnish companies was 42.6. The quick survey is easy to repeat when needed and the open comments received help improve operations. Staff well-being and comfort are key issues at Solwers.

** Employee Net Promoter Score (eNPS) describes how willing the employees are to recommend a company as an employer to their friends or colleagues. eNPS gives a score between -100 and +100 and the result 0 = good, +20 really good and +50 excellent.*



Sustainable solutions in Luleå

Kronan is a new and sustainable district near the centre of Luleå – surrounded by nature. When completed in 2030, it will provide housing and jobs for nearly 7,000 people in Luleå.

One example of Kronan's sustainable solutions is an open system for urban runoff that also serves as a meeting place. A naturally-derived management method can reduce flood risks as climate change leads to increased water flows.

The project is working on the reuse of materials in the Kronan area, with the aim of promoting both economic and ecological sustainability. Several operators have opted for certification or a certified environmental profile for their properties. Many developers have solar panels on their roofs and use responsible mobility solutions, which are project requirements to promote a sustainable society.

Licab assists in the project management of the project, where its main role is to plan, implement, coordinate and monitor the different phases of the project with all parties involved. In addition, Licab will provide expert services in areas such as real estate law and land use issues. The total investment in the project is estimated at SEK 3 billion over 15 years (infrastructure, housing and service and commercial space).

Concepts for the reuse of Kera building components

Solwers' multidisciplinary team won the design competition "To the Next Level", organised by the City of Espoo to find concepts for the reuse of building materials and parts in the Kera area. The winning proposal offers a concept that aims to take the circular economy in construction to the next level from a Finnish perspective.

Kera's industrial warehouse site, which is coming to an end, offers an opportunity to exploit the potential of demolished structures for new construction. The core of the concept is related to the recycling of the concrete pillar-beam frame and hollow-core slabs of Kera halls into the load-bearing frame of new buildings. The Kera halls' pillar-beam frame is made up of squares that can be stacked in a row and side by side depending on the needs of the space to be designed. The space created can be divided into two floors with a new intermediate floor.

The "To the Next Level" team designed a concept of a Next Generation Nursery, which in terms of environmental impact is better than a building made of virgin materials. The design of the Next Generation Nursery is based on modularity, and the frame of the building could be built by using the concrete pillars and -blocks from

the Kera halls, hollow core slabs and the inner shells of the outer wall elements. The nursery would be compact in form, simple and energy-efficient. The thermal insulation of the outer walls would be done with new structures to ensure that the energy efficiency of the building meets modern requirements.

A learning environment based on the principles of the circular economy is an opportunity to show children the ways in which we are striving for balance with the environment in which we live.

The work drew on the international expertise of various Solwers companies. The concept development and brainstorming was a joint effort between Lukkaroinen Arkkitehdit Oy, Arkkitehdit Davidsson Tarkela Oy and Arkkitehtitoimisto Sabelström Arkitektkontor Oy for architectural design, Pontek Oy for structural engineering and Enerwex Ab for energy efficiency.

The design competition is part of the KETO project, the Implementation Path for Sustainable Growth Environments, funded by the European Union through RE-ACT-EU ERDF.



Information for Shareholders

Solwers Plc's share is traded on the First North Growth Market Finland marketplace operated by Nasdaq Helsinki Oy under the trading symbol **SOLWERS**.

Annual General Meeting

The Annual General Meeting will be held on 21 April 2023.

The Board's proposal for the distribution of profit

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.073 per share, corresponding to EUR 723,799.89 in total, be paid.

Financial reporting in 2023

The company will publish its half-year report for the period 1 January–30 June 2023 on 31 August 2023.

The financial reviews and related materials can be found on the company's website at <https://solwers.com/for-investors/reports-and-presentations/> after the publication. You can also subscribe to the Solwers company releases (Fi/Eng) on the homepage.

The periodic financial reports are preceded by a silent period commencing 30 days before the date of publication of the next financial report. During the silent period, the company's representatives do not meet with representatives of the capital market or the media or comment on the Company's financial situation, the market or outlook.



Largest shareholders on 31 December 2022

A total of 2,055 shareholders, excluding nominee registered shareholders, were registered in the shareholders' register maintained by Euroclear Finland Oy. The 10 largest shareholders on the shareholders' register at the end of the financial year are listed in the table below:

Shareholder	Number of shares	% of total
Finnmap Engineering Oy	3,440,261	34.8%
CEB Invest Oy	1,007,823	10.2%
Varma Mutual Pension Insurance Company	427,653	4.3%
Säästöpankki small cap fund	375,117	3.8%
Nyström, Stefan	312,000	3.2%
Aktia Mikro Markka non-ucits fund	310,281	3.1%
Sebbas, Leif	286,340	2.9%
Elo Mutual Pension Insurance Company	280,000	2.8%
Fondita European Micro Cap investment fund	127,526	1.3%
Cumulant Capital Northern Europe	110,000	1.1%
10 largest shareholders, total	6,677,001	67.6%
Nominee registered shares	1,284,804	13.0%
Other shareholders	1,912,977	19.4%
Number of shares, total	9,874,782	100.0%
Of which treasury shares	41,220	0.4%

Why invest in Solwers

Business concept

A decentralised, unique and scalable business concept that works across multiple markets.

Acquisitions

Constant acquisition opportunities, in the fragmented market. Focus of acquisitions can be adapted as per market situation.

Management

Highly professional management with decades of experience and track record in the sector.

Profitable growth

A highly disciplined and proven acquisition strategy – very profitable growth (+10% EBITA).

Growth

Rapid growth with limited integration. Annualised inorganic growth of +20% with minimal integration costs.

Diversification

Each acquisition increases the customer base and opens up opportunities for new business.

Risk management

The diverse service portfolio, operations in two countries and a large number of small projects balance the Group's business and performance.

| We are **SOLWERS**



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