



SOLWERS


Year 2023

Continued growth and profitability at a good level

March 11, 2024

Agenda

- Business Review 2023
- Events after the financial year
- Financial Review 2023
- Outlook and strategic targets
- Q&A

A photograph of three executives standing in front of a large window. Stefan Nyström is on the left, wearing a dark suit and light blue shirt. Jasmine Jussila is in the center, wearing a dark top. Teemu Kraus is on the right, wearing a dark suit and light blue shirt, and is seated in the foreground. The background shows a modern building and some greenery.

Stefan Nyström
CEO

Jasmine Jussila
Head of Group
Communications

Teemu Kraus
CFO

We are SOLWERS

Solwers Plc is a growth-oriented group of expert companies. Solwers acts as a growth platform for the companies it owns.

Our subsidiaries operate under their own brands and offer a wide range of design, engineering and project management services, challenging the traditional practices of the built environment consulting industry.

2
Countries

26
Subsidiaries

700+
talents

ACCADO

KAM
RENOVISING A

ENERWEX

LVI-INSINÖÖRITOIMISTO
MESKANEN

LVI-insinööritoimisto
Plan-Air Oy

arkman
arkkitehti oy

taitotekniikka

Zenner

TCG NORDIC

VG

ADT

Licab

Finnmap
Infra

NORTH 68°

KALLIOTEKNIikka
CONSULTING ENGINEERS OY

INMECO
RAKENNUSKONSULTIT

CONTRIA

LUKKAROINEN

ELE
ENGINEERING

DREEM

GeoUnion Oy

POLYPLAN

Establish © Schening

FALKCM
Falk Construction Management

DEMAB

PONTEK oy

RELITOR
ENGINEERING

Business review 2023

Stefan Nyström, CEO





Year 2023 in brief

1/2

- / Revenue growth 5.1% of which 50% is organic
- / Growth and profitability on a good level although below mid-term target
- / Weak Swedish krona has impacted the revenue
- / Equity ratio is above mid-term target
- / Four acquisitions, one merger
- / Group eNPS +33 classified as very good
- / New CFO and Head of Group Communications have joined in H2/2023

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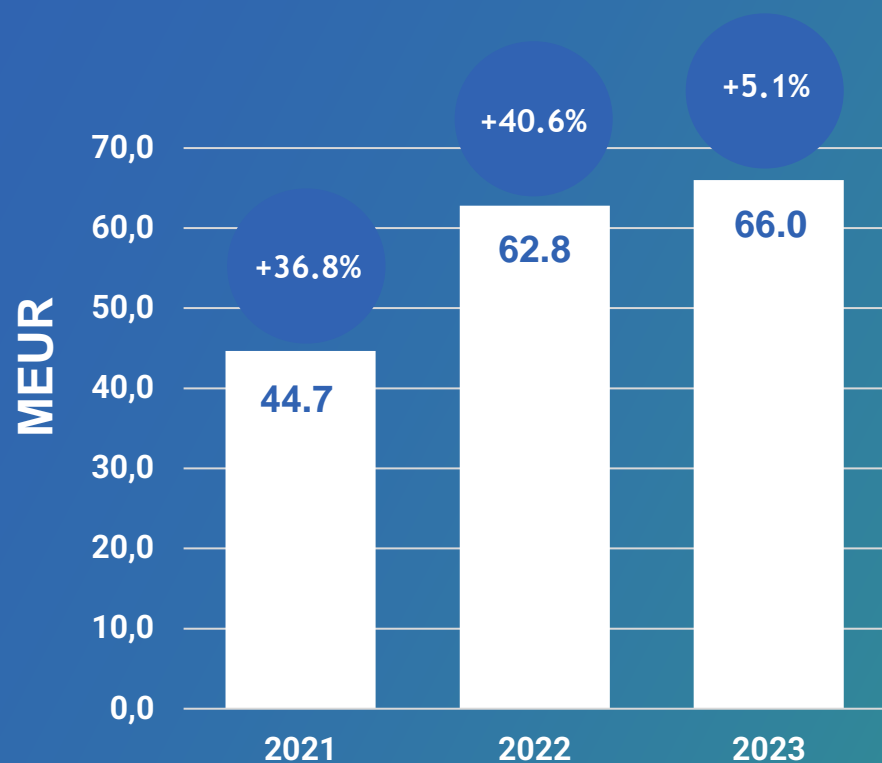
Year 2023 in brief

2/2

- / Order stock has decreased, but is still at a good level
- / Invoicing rate has increased
- / Wide customer base, around 25 offices in two countries help keep workload up
- / 3,500+ different projects of which 2,500 are below €10k
- / About half of the sales from the public sector clients, of which around half come from the infra sector

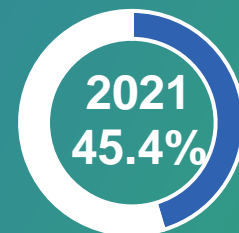
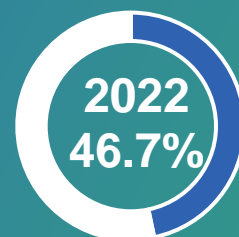
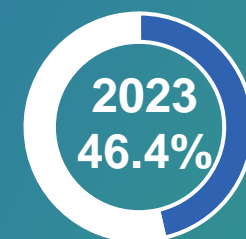
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2023: Revenue growth +5.1%

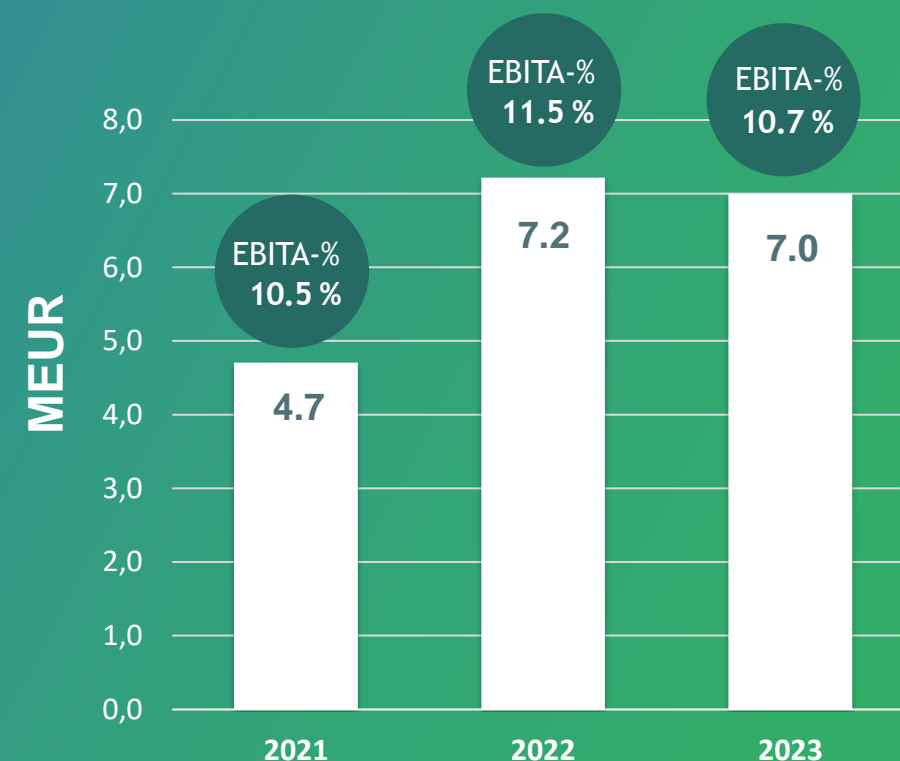


Doubled the revenue in 3 years.
Average YoY +27.5%

Equity Ratio



2023: EBITA 10.7%



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Acquisitions



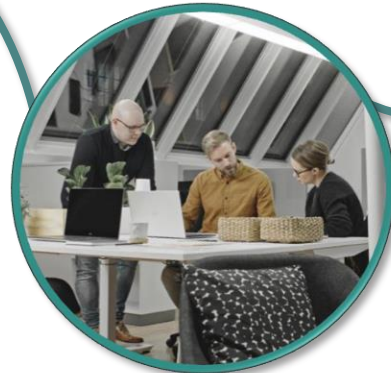
02/2023

TCG Nordic AB
Stockholm, Sweden
Rail and transport
consulting services



09/2023

Arkman Arkkitehtuuri Oy
Kokkola, Finland
Subsidiary of Lukkaroinen
Architects
Architectural and interior
design



09/2023

**North 68 Consulting
AB** Kiruna, Sweden
Subsidiary of Licab AB
Technical consulting



12/2023

**Insinööritoimisto Plan-Air
Oy** Oulu, Finland
Subsidiary of Insinööritoimisto
Meskanen Oy HVAC



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Interesting projects in 2023



Strengthening Sweden's national grid systems

- ELE Engineering has been involved in several projects that strengthen Sweden's national grid which connects wind farms, solar power plants and battery energy storage systems (BESS).
- ELE currently works with grid owners, entrepreneurs, contractors and manufacturers in developing a stable power transmission.



Green steel pilot project

- Licab AB assists H2GreenSteel in the upcoming steel plant project in Sweden that has lower emissions compared to traditional steel production
- Licab provides project management, links the operations and constructions teams, plans, drives, coordinates the sub-projects, and offers project management of the headquarters. Licab also designs the railway solutions and offers technical solutions for the project.
- Client: H2 Green Steel AB

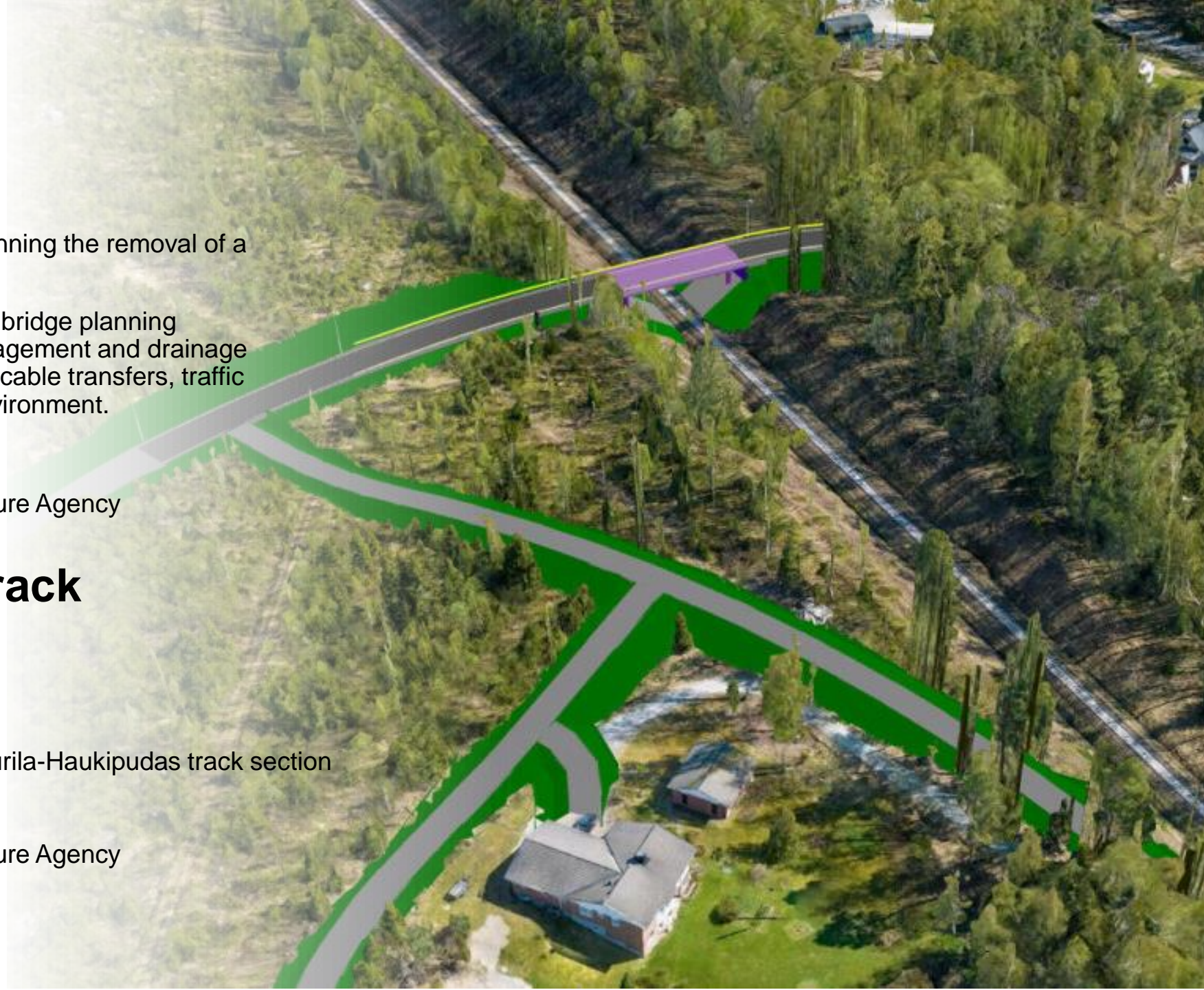


Removal of level crossings Jyväskylä-Pieksämäki, Finland

- Finnmap Infra is responsible for planning the removal of a total of 15 grade crossings.
- Planning for new road connections, bridge planning (total:10), geo-planning, water management and drainage planning, as well as the planning of cable transfers, traffic control, lighting, and the fairway environment.
- Estimated completion: 2025
- Client: Finnish Transport Infrastructure Agency

Haukipudas-Laurila track renovation project, Finland

- Finnmap Infra plans 90 km long Laurila-Haukipudas track section
- Estimated completion: 2025
- Client: Finnish Transport Infrastructure Agency



Keilaniemi hotel project, spatial planning and property development, Espoo Finland

- A new area in Keilaniemi is to have offices, a hotel, a congress centre and apartments. The infill site is planned as a block formed by three separate sections.
- Architects Davidsson Tarkela have designed a tall hotel tower in the centre of the block, which, when completed, will form part of the future cityscape of Keilaniemi.
- Client: AB Invest



Ahmo school center and Siilinlahti elementary school

- Lukkaroinen architects won the life cycle competition for school projects in Siilinjärvi. The projects include two separate schools; Ahmo School Centre's facilities for upper secondary and high schools, as well as Siilinlahti Primary School.
- Lukkaroinen Architects is responsible for the main and architectural and interior design of the projects.
- Client: Siilinjärvi County



Laakso Hospital

- Lukkaroinen Architect is part of the LATU design Group, consortium of four architecture companies.
- LATU is preparing a project plan for the Laakso joint hospital, and a change to the town plan for the Laakso district of Helsinki.
- Clients: City of Helsinki and the Hospital District of Helsinki and Uusimaa (HUS)



Old Vaasa Hospital

- Lukkaroinen Architect's proposal "Huomassa" was chosen as the winner of the architectural competition.
- Lukkaroinen Architects is responsible for the main and architectural and interior design of the projects.
- Client: Senaatti-Kiinteistöt
- Other Solwers companies involved: LVI-Insinööritoimisto Meskanen Oy, Insinööritoimisto W. Zenner and Finnmap Infra



Events after the financial year

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New acquisitions in January 2024



01/2024

**WiseGate AB:
WiseGate Consulting AB
DEMAB AB**

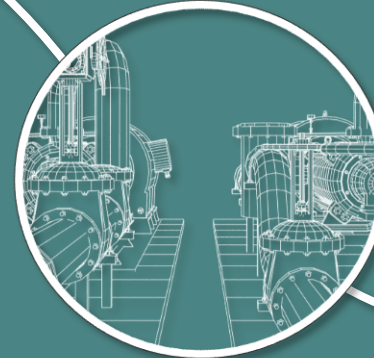
- HQ Malmö + 7 cities, Sweden
- Consulting and engineering for the energy and process industries
- 50+ employees



01/2024

Kari & Pantsar Co.

- Helsinki, Finland
- Environmental consulting
- 7 employees
- 33.3% ownership



RELITOR
ENGINEERING

01/2024

Relitor AB

- Luleå, Sweden
- Plant engineering
- 20+ employees

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Financial review 2023

Teemu Kraus, CFO

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Key figures

Solwers Consolidated EUR thousand		2023	2022	H2/2023	H2/2022
Revenue		65 991	62 796	32 797	30 234
EBITDA		7 952	8 156	3 944	3 911
EBITDA-%		12,0%	13,0%	12,0%	12,9%
EBITA		7 039	7 218	3 503	3 417
EBITA-%		10,7%	11,5%	10,7 %	11,3 %
EBIT		4 845	5 091	2 362	2 283
EBIT-%		7,3%	8,1%	7,2%	7,6%
Net Profit		3 208	3 574	1 732	1 656
Net Profit-%		4,9%	5,7%	5,3%	5,5%
Earnings per Share (EPS), EUR		0,3221598	0,3840182	0,1730611	0,1767546

Key figures, continued

Solwers Consolidated				
EUR thousand	2023	2022	H2/2023	H2/2022
Revenue per person	108	105	53	50
Revenue growth	5,1 %	40,6 %	8,5 %	33,2 %
Invoicing rate	81,5 %	80,0 %	81,3 %	79,5 %
Adjusted Equity	40 409	38 158	40 409	38 158
Net debt	17 436	13 366	17 436	13 366
Equity Ratio, %	46,4%	46,7%	46,4%	46,7%
Adjusted Equity Ratio, %	46,4%	46,7%	46,4%	46,7%
Total Assets	87 046	81 682	87 046	81 682
Headcount, average	611	600	624	607
Headcount, at year end	635	582	635	582

Profit & Loss

Solwers Consolidated				
EUR thousand	2023	2022	H2/2023	H2/2022
REVENUE	65 991	62 796	32 797	30 234
Other operating income	1 072	230	982	155
Materials and services	-8 022	-8 342	-4 187	-1 883
Employee benefit expenses	-41 993	-38 762	-20 734	-20 876
Amortization, depreciation and impairment	-3 107	-3 065	-1 582	-1 628
Other operating expenses	-9 096	-7 766	-4 915	-3 720
OPERATING PROFIT	4 845	5 091	2 362	2 283
Financial income and expenses	-966	-495	-460	-293
PROFIT BEFORE TAXES	3 878	4 597	1 902	1 990
Income taxes	-670	-1 022	-170	-335
PROFIT FOR THE FINANCIAL YEAR	3 208	3 574	1 732	1 656

Assets

Solwers Consolidated				
EUR thousand	31.12.2023	31.12.2022	30.6.2023	30.6.2022
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	42 984	39 122	40 875	36 507
Tangible assets	7 295	5 651	6 068	5 872
Investments	1 889	1 888	1 888	1 908
Receivables	1 337	1 451	1 355	1 396
NON-CURRENT ASSETS, TOTAL	53 505	48 112	50 186	45 682
CURRENT ASSETS				
Inventories	146	168	193	164
Receivables	16 557	14 586	16 629	16 220
Investments	885	334	1 359	331
Cash and cash equivalents	15 953	18 482	13 981	12 553
CURRENT ASSETS, TOTAL	33 541	33 570	32 161	29 268
ASSETS, TOTAL	87 046	81 682	82 347	74 949

Equity & liabilities

Solwers Consolidated EUR thousand

	31.12.2023	31.12.2022	30.6.2023	30.6.2022
EQUITY AND LIABILITIES				
EQUITY				
Subscribed capital	1 000	1 000	1 000	1 000
Share premium account	20	20	20	20
Other reserves	36 473	35 903	36 290	31 509
Retained earnings	-657	-2 816	-1 340	-2 041
Profit for the financial year	3 026	3 396	1 453	1 818
EQUITY, TOTAL	39 862	37 504	37 423	32 306
NON-CONTROLLING INTEREST	546	654	480	589
LIABILITIES				
Non-current liabilities	28 437	28 004	27 288	25 142
Current liabilities	18 200	15 521	17 155	16 912
LIABILITIES, TOTAL	46 637	43 524	44 443	42 054
EQUITY AND LIABILITIES, TOTAL	87 046	81 682	82 347	74 949

Cash flow

Solwers Consolidated EUR thousand

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

The Board's proposal for the distribution of profit

- At the end of the financial year 2023, Solwers Plc's distributable funds amounted to EUR 37,367,260.68, of which the loss for the financial year was EUR 348,380.72.
- The Board of Directors proposes to the Annual General Meeting that the loss for the financial year be transferred to retained earnings and that a dividend of EUR 0.064 per share, corresponding to EUR 640,281.92 in total, be paid from retained earnings.



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Outlook and strategic targets

Stefan Nyström, CEO

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Market outlook 2024

1/2

- Forecasting is challenging. Short market visibility.
- Workload is expected to drop in some areas for the next 6 months in Finland. A general pick-up in the market can be anticipated towards the end of 2024 – if/when the interest rates start to drop and investment willingness increases.
- New orders are increasing in multiple segments i.e. infra, industry and office both in Finland and Sweden. Challenges in the public finance can impact infrastructure projects Finland whereas in Sweden the start of the infrastructure projects have been accelerated by the government.

Market outlook 2024

2/2

- Industrial investments are expected to further increase particularly in the North of Sweden. Shortage of skilled professionals is the biggest challenge.
- Variety of new energy production alternatives, energy storage, power transmission grids and automation solutions will increase the demand for engineering and project management services in these fields.
- EU regulation in biodiversity is tightening and opens new business opportunities. Circular economy projects are upcoming.

Solwers outlook 2024

1/2

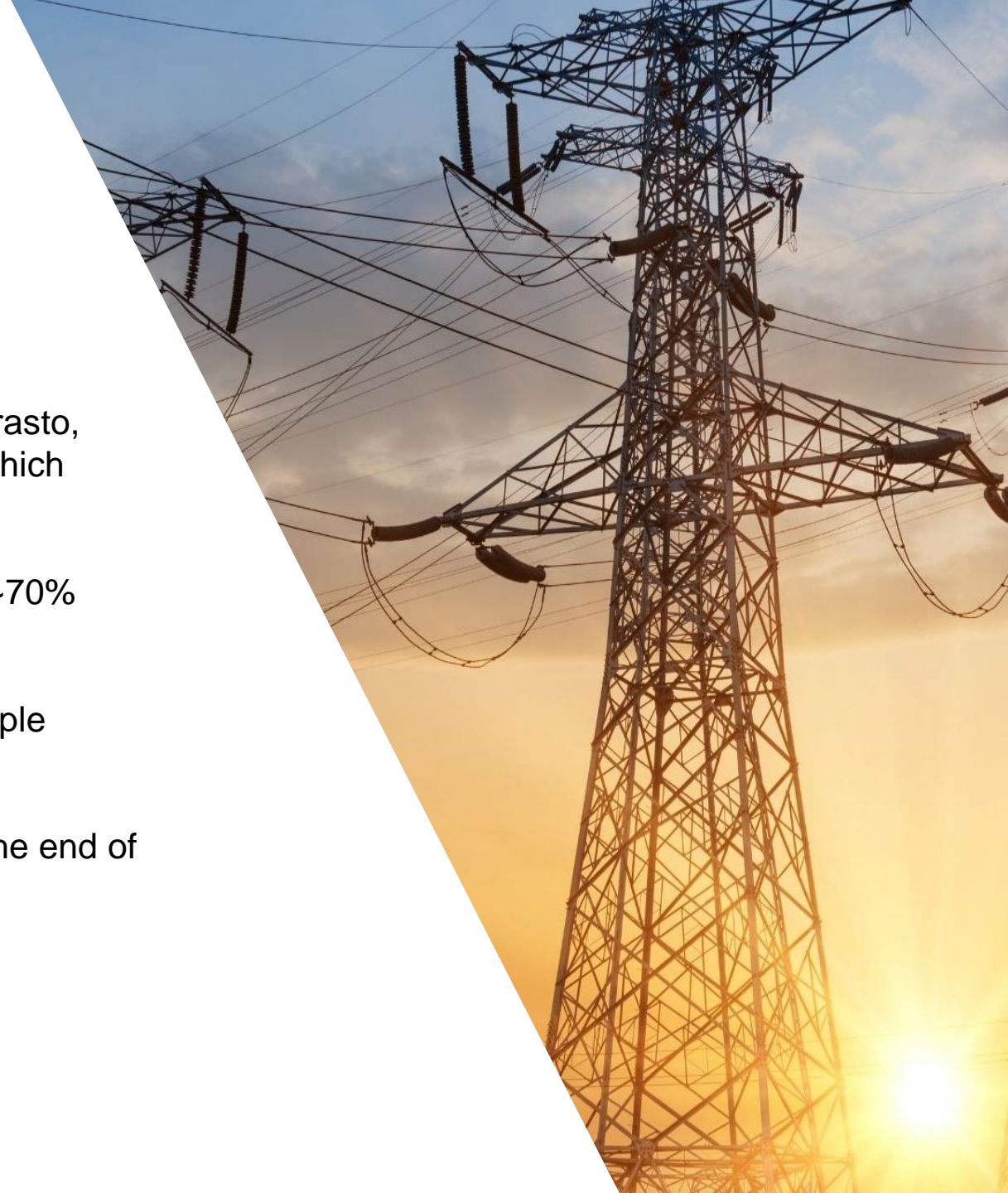
- Our business is supported by the megatrend of **urbanization**, the **green transition** in Europe, tightening regulation on **biodiversity**, self-sufficiency in **energy production**, and especially in Sweden the increased orders of the **defense equipment industry**.
- We continue with acquisitions that support our existing business. Focus on areas where new production is booming e.g. green transition, energy automation, power transmission
- Solwers has a good order backlog in infrastructure projects as well as long-lasting projects in hospital and school design



Solwers outlook 2024

2/2

- Wide client base, over 500 clients e.g. Trafikverket, Väylävirasto, LKAB, Senate Properties, ~50% public sector projects, of which ~50% infra projects
- Diverse service portfolio consisting of many small projects ~70% below EUR 10,000 sales value
- Continue to manage our business risk by operating in multiple locations in at least two countries
- Solwers' business climate is expected to improve towards the end of 2024 if/when the general market pick-up takes place



Mid-term Financial Targets

>20%

revenue growth
(12 months)

>12%

EBITA %

>40%

Equity
ratio

Reporting 2024

- The Annual Report 2023, Financial Statements and the Report of the Board of Directors for 2023 will be published latest on 29 March
- The Annual General Meeting is held on 25 April 2024. The official notice of the AGM will be presented later
- Solwers publishes three interim reports in 2024:
 - 31.05.2024 Business Review January-March **NEW!**
 - 30.08.2024 Half-year Report for January-June
 - 29.11.2024 Business Review January-September **NEW!**





Q&A

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