

SOLWERS

Annual Review 2023

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Solwers - growing group of companies creating smart and unique living environments

Solwers is a growth-oriented group of expert companies that acts as a growth platform for the companies it owns, challenging the traditional practices of the built environment consulting industry.

Solwers companies provide services in the fields of electricity, automation and power transmission planning, environmental consulting, project management and monitoring, circular economy, architecture, technical consulting, logistics and digital solutions, and financial administration.

The rapidly growing group includes today 26 operational Solwers companies, employing more than 700 professionals in Finland and Sweden.

2023

REVENUE

66.0

MEUR

EBITA

7.0

MEUR

EBIT

4.8

MEUR

EMPLOYEES

611

(AVE)

Solwers companies

Solwers companies continue operations under their own brands and identities. Light integration enables seamless continuity of operation, diversity and satisfaction with the work environment.

Finland



Sweden

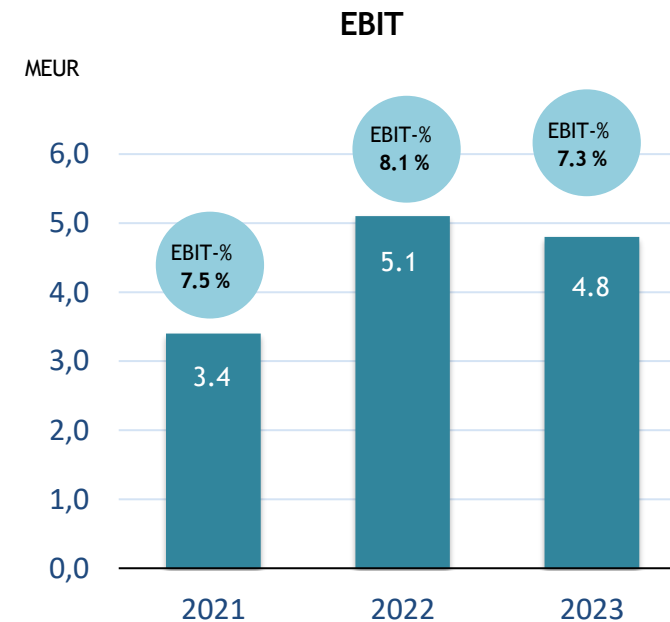
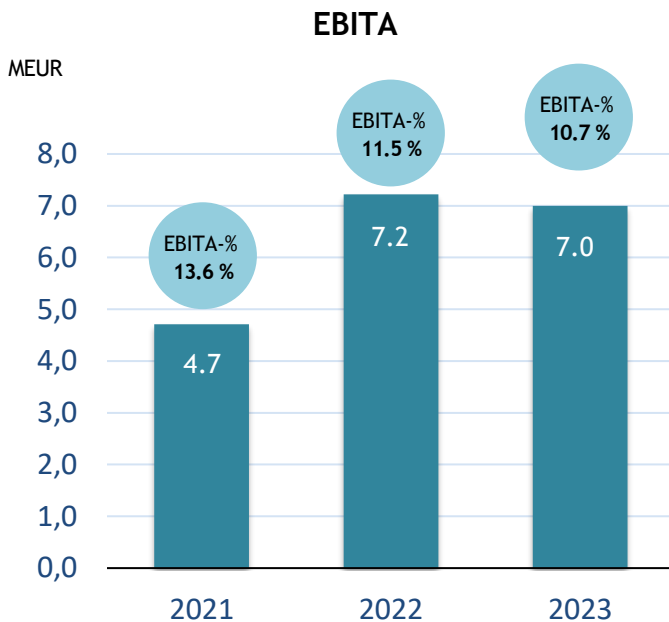
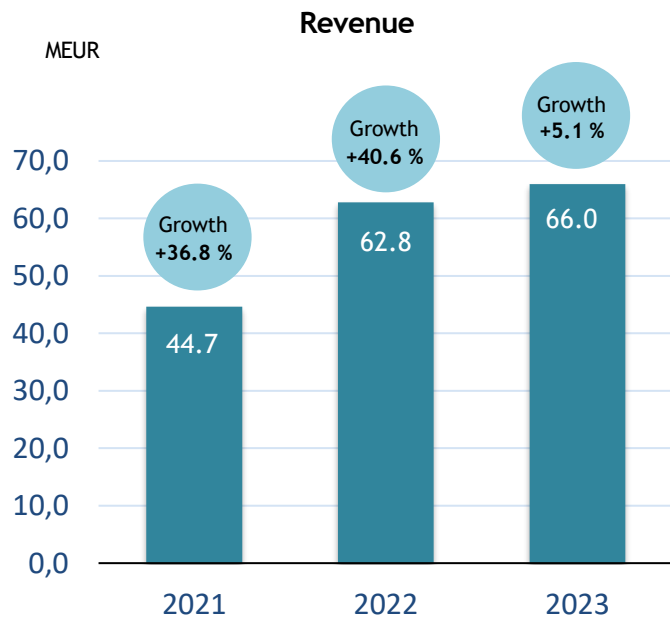


We are **SOLWERS**

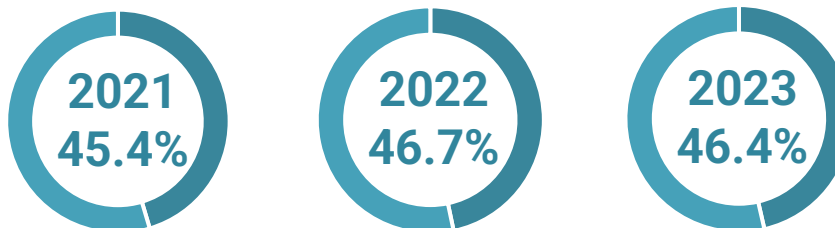


Solwers companies have offices in 25 locations in Finland and Sweden.

Continuous growth



Equity ratio %



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

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

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

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

M&A's supported existing business

In total, four acquisitions and one merger took

place in 2023. We were happy to welcome Transport Consultancy Group Nordic AB, North 68 Consulting AB, Arkman Arkkitehtuuri Oy and LVI-Insinööritoimisto Plan-Air Oy to become part of the Solwers team. Kalliosuunnittelu Rockplan Ltd merged with Finnmap Infra, enabling a wide range of services for large infrastructure projects under one roof.

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

Broad client base and interesting projects throughout the year

Solwers companies have in total over 500 active clients, more than 3,500 ongoing projects and over 150 frame agreements. Most of the projects, around 70 per cent, are below EUR 10,000 in sales value. Some of the most significant clients are Trafikverket - Swedish Transport Administration, Väylävirasto - Finnish Transport Infrastructure Agency, LKAB and Senate Properties.

About half of Solwers' revenue comes from public projects and the other half from the private sector.

The infra projects represent around half of the public sector project revenue.

An interesting project to mention is Solwers company Licab AB providing consultation for H2 Green Steel AB in the upcoming low-emission steel plant project in Sweden.

Some of the interesting infrastructure projects in Finland include 90 km long Laurila-Haukipudas track renovation by Finnmap Infra as well as removal of 15 grade crossings and infrastructure planning between Jyväskylä-Pieksämäki track section. Both projects assigned by Väylävirasto are scheduled to be completed in 2025.

Lukkaroinen Architects have been involved in multiple large hospital and school design projects in 2023, including Laakso hospital, Old Vaasa Hospital Ahmo School Centre and Siilinlahti Elementary School. Vaasa hospital project included several Solwers companies: LVI-Insinööritoimisto Meskanen was responsible for HVAC-planning, Insinööritoimisto W. Zenner acoustics planning and Finnmap Infra of infrastructure planning.

Continuous growth strategy

Solwers continues its growth strategy, primarily based on acquisitions, but also organic growth. The acquisitions focus on areas where new production is



booming, such as energy, automation, and power transmission. Many of these are related to security and the reduction of CO2 emissions. Other strategic competences complementing the service portfolio are also considered.

Stefan Nyström, CEO,
Solwers Plc

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

ORGANIC GROWTH

Energy production and transmission, automation and circularity projects increase the need for our services

GROWTH BY ACQUISITIONS

Active growth with a unique model, light integration

GOOD EMPLOYER

Continuous development of skills and knowledge, strengthening the subcultures of subsidiaries

Solwers' mission is to create smart and unique living environments - challenging the norm, going beyond.

Acquisitions

In 2023 Solwers and its subsidiaries acquired four companies: two in Sweden and two in Finland. Further acquisitions were lined up for the beginning of the year 2024.

M&A strategy

1. Always-on negotiations
2. Acquired companies support existing business, have a stable order backlog and EBIT, typically over 10%. Strategic competence can also be a purchase criteria.
3. Risks minimized by an earn-out model where part of the purchase price is based on future performance, thorough due diligence and an incentive program.
4. Principally Solwers acquires 100% of shares.

2023

2024



02/2023

TCG Nordic AB

- Stockholm, Sweden
- Rail and transport consulting
- 17 employees



09/2023

Arkman

- **Arkkitehtuuri Oy**
- Kokkola, Finland
- Subsidiary of Lukkaroinen Architects
- Architectural and interior design
- 5 employees



09/2023

North 68 Consulting AB

- Kiruna, Sweden
- Subsidiary of Licab AB
- Technical consulting
- 13 employees



12/2023

Insinööritoimisto Plan-Air Oy

- Oulu, Finland
- Subsidiary of Insinööritoimisto Meskanen Oy
- HVAC consulting
- 8 employees



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 & Pansar Co.

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



01/2024

Relitor AB

- Luleå, Sweden
- Plant engineering
- 20+ employees

Outlook 2024

Solwers' good order backlog and the acquisitions completed in early 2024 support the positive development of revenue.

The M&A market has continued to be active, and acquisitions are planned to continue. The focus is on areas where new production is booming, especially functions related to energy, electricity transmission and automation. Other strategic competence areas that supplement the current service offering are also interesting for the company.

Solwers has a good backlog in public sector and infrastructure projects, as well as long assignments in hospital and school design projects. The company has a broad client base and a diverse range of services – about 70 percent of the projects are projects under 10,000 euros, which means they are less prone to interruptions, postponements or price competition caused by economic fluctuations. Business risk is managed by operating locally in several locations in at least two countries.

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

The company estimates that the business environment will improve towards the end of 2024 with the general pick-up of the market.

Mid-term financial targets

GROWTH

OVER 20% GROWTH IN REVENUE (12 MONTHS)

PROFITABILITY

OVER 12 % EBITA

EQUITY

OVER 40%

Sustainability

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

Solwers is actively looking for new companies to join the group. When making investment decisions, in addition to financial aspects, sustainability – such as circular economy, environmental issues and expertise related to energy sector – are also considered. They support long-term success and Solwers' vision of being the preferred partner for its customers in visionary and sustainable design and engineering.

Environment

Solwers' handprint can be seen strongly in client work. The green transition and increasing regulation concerning biodiversity open new business opportunities for Solwers companies. The expert services offered include sustainable solutions for low-emission construction, circular economy, strengthening biodiversity and adapting to climate change. Environmental expertise is used in different phases of planning, infrastructure, and construction projects, for example by planning organic green environments, recycling building materials, optimizing the energy consumption and environmental effects of the building's life cycle.

Several Solwers companies have an environmental program in place, and our subsidiaries have also in 2023 been awarded quality and environmental certificates, including EcoVadis (ELE Engineering AB) and Ekokompassi

(aDT Oy) as well as ISO 9001 and 14001 (DREEM AB). Taking into account the nature of the consultancy business, the companies' own carbon footprint can be considered small.

During the reporting year, an internal ESG working group that crosses organizational boundaries was established. The group meets on a regular basis, actively sharing best practices within the company, innovating, and identifying business opportunities, particularly related to emissions calculation, use of materials and environmental services in customer work.

Social responsibility

The well-being of the personnel is key at Solwers. To support continuous development and promote a positive employee experience, the group regularly organizes versatile trainings. During the reporting year, the group organized a supervisor training for the subsidiaries.

In 2023, a job satisfaction survey was carried out throughout the group. The employee net recommendation index (eNPS) was +33, which is classified as very good*. We recognize the impact of job satisfaction on our performance and strive to improve it even further. 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 Solwers companies, depending on what is considered most meaningful at each of the companies.

We are also committed to being a good corporate citizen and promote the well-being of the surrounding society. We make an annual monetary donation to a chosen charity. In 2023, the charities selected were Hyvä Mieli fundraiser for low-income families in Finland and the children's cancer fund Barncancerfonden in Sweden.

Governance

Solwers operates openly and transparently, following good governance and promoting the diversity of the working community. The Listed Company Boards study in Finland has given Solwers recognition for being at the forefront of gender diversity, as 60% of Solwers board members are women, while the share of females in listed companies is 30.4% on average.

Our companies have common Code of Conduct principles and a whistleblowing reporting channel in Finland and Sweden. The accessibility of the whistleblowing channel has been improved and it has also been published on the Company's website.

For our subsidiaries, we strive to be a promoter and enabler. We are a long-term and committed owner and partner that supports the development opportunities of the personnel. The special expertise of Solwers' board members supports our companies in the field of digitalization and circular economy, while ensuring the financial benefits for the Company's shareholders.

eNPS*

+33

= very good

* 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 0= good, +20 very good, +50 excellent. Source: Eletive.com

Strengthening Sweden's national grid systems

Solwers company ELE Engineering has been involved in several projects that strengthen Sweden's national grid – connecting 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

Solwers company Licab AB assists H2 Green Steel AB 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 for the headquarters. Licab also designs the railway solutions and offers technical solutions for the project.

Energy-efficient Original Sokos Hotel Royal

The energy-efficient hotel was opened in Vaasa in early 2024, where the dependence on traditional energy sources as well as the carbon footprint is significantly reduced. Solwers company Polyplan, together with the client and developer organization, has been brainstorming the content of the project from draft design phase. In addition to the principal, architectural, and interior design (Huippu spa facilities) carried out by Polyplan, the project utilised the know-how of other Solwers companies: Contria Oy was responsible for the structural design of the site, Insinööritoimisto W. Zenner for the acoustic design, and Finnmap Infra/Rockplan consulted on rock construction issues.

The green transition and increasing regulation concerning biodiversity open new business opportunities for Solwers companies.

LEARN MORE ON OUR PROJECTS AT [SOLWERS.COM/NEWS](https://www.solwers.com/news)

European Sustainability Reporting Standards

Solwers Plc started preparing for the adoption of the EU Corporate Responsibility Reporting Directive (CSRD) in 2023. The Company reports ESRS-compliant sustainability data as part of financial reporting from 2024.

The aim of the European Union's Corporate Sustainability Reporting Directive is to increase the transparency and comparability of companies' responsibility information. The directive directs companies to identify key responsibility themes and monitor their progress. Companies covered by the CSRD directive report on responsibility in accordance with the European Sustainability Reporting Standard (ESRS). Solwers' group-level ESRS sustainability report will be published from 2024.

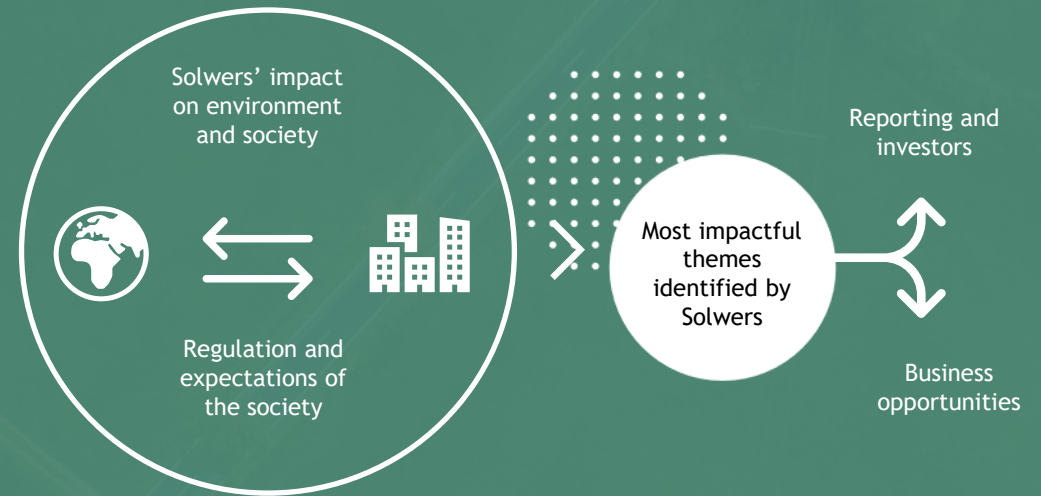
In 2024 Solwers will focus in particular on examining the following areas:

- DUAL MATERIALITY ASSESSMENT
- SCOPE 1-2 EMISSION CALCULATIONS
- TAXONOMY

Dual materiality assessment as a basis

In accordance with CSRD, Solwers evaluates the most significant responsibility themes in terms of its own operations, following the principle of double materiality. The review has started during second half of 2023 and will deepen during the spring of 2024 with a stakeholder survey and gap analysis.

Through a comprehensive analysis, Solwers identifies areas on which it can have the greatest impact on the environment, society and business with its operations. The results, goals and action plan of the dual materiality analysis will be reported together with the 2024 sustainability information.



Dual materiality shows the most impactful sustainability themes that the company invests in and reports of.

WE SUPPORT



Solwers is committed to promoting the UN's sustainable development goals, which are close to our business.

The Company has been participating in the UN's Global Compact corporate responsibility initiative since 2021, requiring annual reporting.

Information for shareholders

Solwers Plc's shares are traded on First North Growth Market Finland marketplace operated by Nasdaq Helsinki Oy, with a trading symbol **SOLWERS**.

Annual General Meeting

Annual General meeting will take place in Helsinki on April 25, 2024.

Board's proposal for distribution of profit

The Board of Directors proposes to the Annual General Meeting that from the accumulated profits, EUR 0.064 per share be distributed as dividend i.e. a total of EUR 640,281.92.

Financial reporting

Solwers will publish three interim reports in 2024:

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

Financial reviews and the related materials are available from the moment of publication at <https://solwers.com/for-investors/>. One can also order releases by using the form on the homepage (Finnish-English).

Solwers obeys a 30-day silent period before announcing results and does not give comments related to the company's financial position, business, market or future prospects. During the quiet period, the company's top management representatives do not meet with investors, analysts or other market participants and do not give interviews regarding the company's financial position.



Largest shareholders on December 31, 2023

A total of 2,027 shareholders, excluding nominee registered shareholders, were registered in the shareholders' register maintained by Euroclear Finland Oy. The 10 largest shareholders on the shareholders' register at the end of the financial year are listed in the table below:

Shareholder	Number of shares	% - shareholding
FME Consulting Oy	3 405 761	34,3 %
CEB Invest Oy	1 042 323	10,5 %
Keskinäinen työeläkevakuutusyhtiö Varna	427 653	4,3 %
Sijoitusrahasto Säästöpankki pienyhtiöt	375 117	3,8 %
Erikoissijoitusrahasto Aktia Mikro Markka Osake	310 281	3,1 %
Sebbas, Leif	286 340	2,9 %
Keskinäinen Työeläkevakuutusyhtiö Elo	280 000	2,8 %
Nyström, Stefan	247 000	2,5 %
Fondita European Micro Cap investment fund	127 526	1,3 %
Sijoitusrahasto EQ Eurooppa Pienyhtiö	108 020	1,1 %
10 largest shareholders, total	6 610 021	66,7 %
Nominee registered shares	1 386 609	14,0 %
Other shareholders	1 918 437	19,3 %
Number of shares, total	9 915 067	100,0 %

Why invest in Solwers?

Acquisitions

Continuous opportunities for acquisitions in a fragmented market. Efficient and proven acquisition strategy.



Profitable growth

Fast growth with light integration.

Scalability

A scalable business concept that works in multiple markets. Each acquisition increases the customer base and brings strong expertise to the group.



Risk management

Wide range of services, a large number of small projects and operations in two countries balance the group's business and profitability.

Stability

Experienced locally operating management, light and professional group administration. Strong cash flow and stable capital structure.



Dividends

20-40% of the financial year's profit. The rest is invested in growth.

We are **SOLWERS**



www.solwers.com