

# We help you to understand your place and decode its potential.

## **We are always somewhere.**

No matter how cosmopolitan or global we want to see ourselves, we cannot escape our locality. The places we have lived in stick with us. We are a geo-bound species.

## **Place gives us our perspective.**

The better we understand where we are, the better we can tell where to go next. Knowing your place makes it possible to learn from the past and pursue new horizons.

## **We help you to understand your place and decode its potential.**

From built environments, infrastructure and traffic to forests, knowledge empowers you to lead with confidence, create trust and make decisions based on what you think is of value.

**We introduce groundbreaking solutions** that redefine how cities and businesses manage their assets, infrastructure and data - ensuring they are at the forefront of sustainability and resilience.

## **Know your place.**

Sitowise Digital Solutions



**SITOWISE**

# Insights into Sitowise Digital Solutions

**Heikki Haasmaa, CEO**

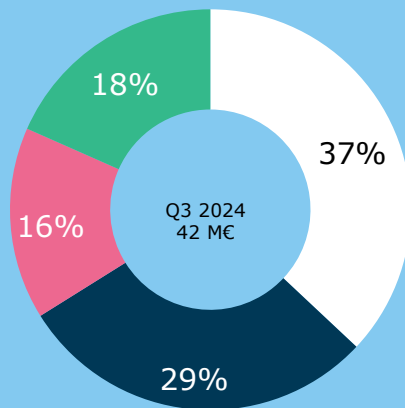
**Anna Wäck, EVP, Digital Solutions**

**4 DECEMBER 2024**

# Sitowise is a Nordic expert in the built environment and forestry with strong focus on digitality

## Four established Business Areas

Net sales by Business Area



- Infra
- Buildings
- Digital Solutions
- Sweden

**211**

Net sales, M€  
(2023)

**31**

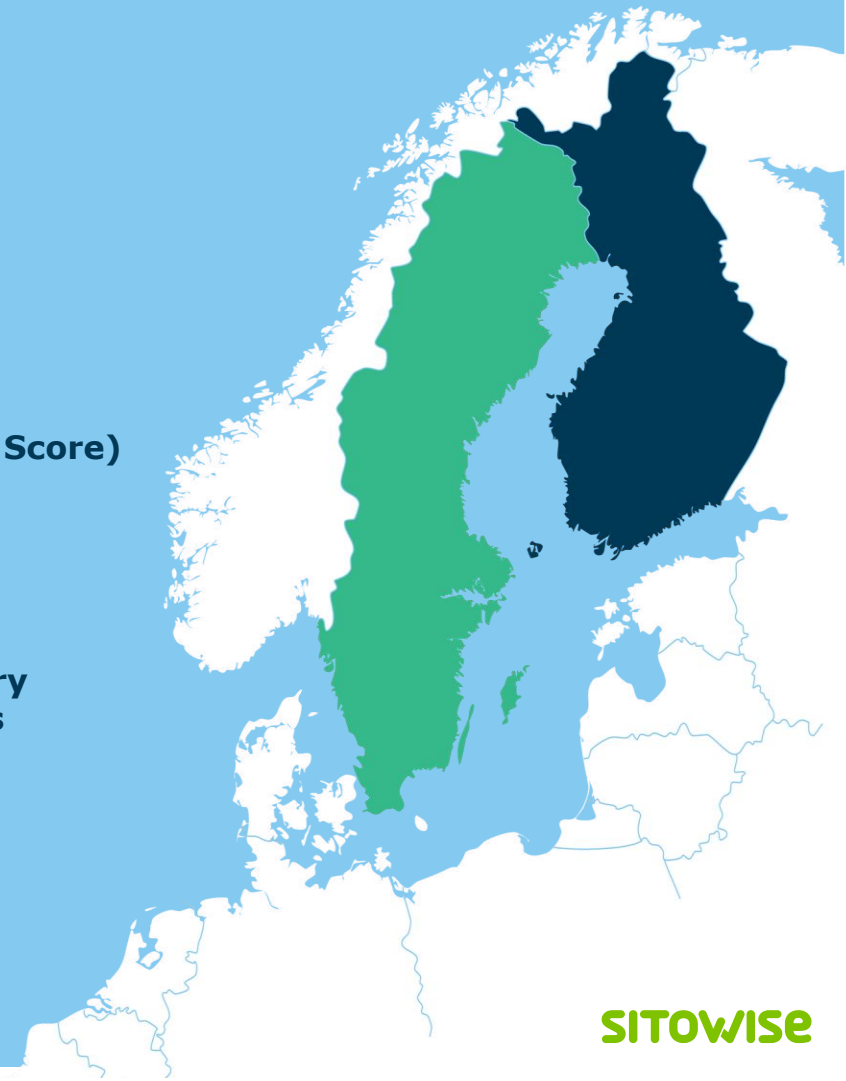
NPS  
(Net promoter Score)

**2,100+**

Experts

**7**

Proprietary  
products





# We are involved in the key built environment and mobility projects of our time



1



2



3



4



5



6



7



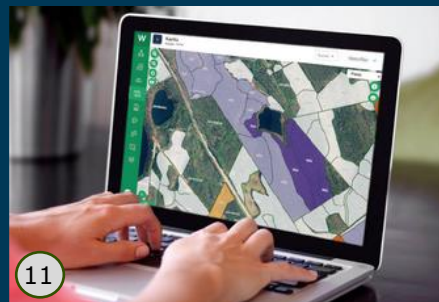
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11



12

- RAILS:** Light rail line 15 in Helsinki metropolitan area
- BRIDGES:** Crown Bridges project at the heart of Helsinki
- URBAN DEVELOPMENT:** Kalasatama ("Fishing harbour") district
- TUNNELS AND ROADS :** Keilaniemi district, start of Ring I beltway
- SUSTAINABILITY:** e.g. environmental impact assessments and circular economy
- NEW CONSTRUCTION:** Multipurpose Building "NAPSU", Rovaniemi
- NEW CONSTRUCTION:** We Land office property, Helsinki
- SUSTAINABILITY:** E.g. mitigation of climate change, e.g. energy efficiency
- The national Built Environment Information System "RYHTI"
- Louhi advanced geospatial solution for municipalities
- Leafpoint operational control systems of Finnish Forest Management Associations
- Forest change interpretation service based on satellite data and utilizing AI for Metsäkeskus Forest Centre

# Megatrends fuel our growth,

and the combination technical consulting expertise and digital capabilities drives also the creation of new demand and markets



**URBANISATION**



**MAINTENANCE  
BACKLOG OF THE  
BUILT  
ENVIRONMENT**



**DIGITALISATION  
AND THE  
INCREASE OF THE  
AMOUNT OF DATA**



**CLIMATE  
CHANGE,  
BIODIVERSITY**



**SECURITY**



# Sitowise Digital Solutions: Nordic excellence in Geospatial intelligence...

## KEY CLIENT SEGMENTS



Built environment



Transport



Forestry



Energy and industry

## OUR OFFERING



Custom software  
development



Proprietary  
SaaS products

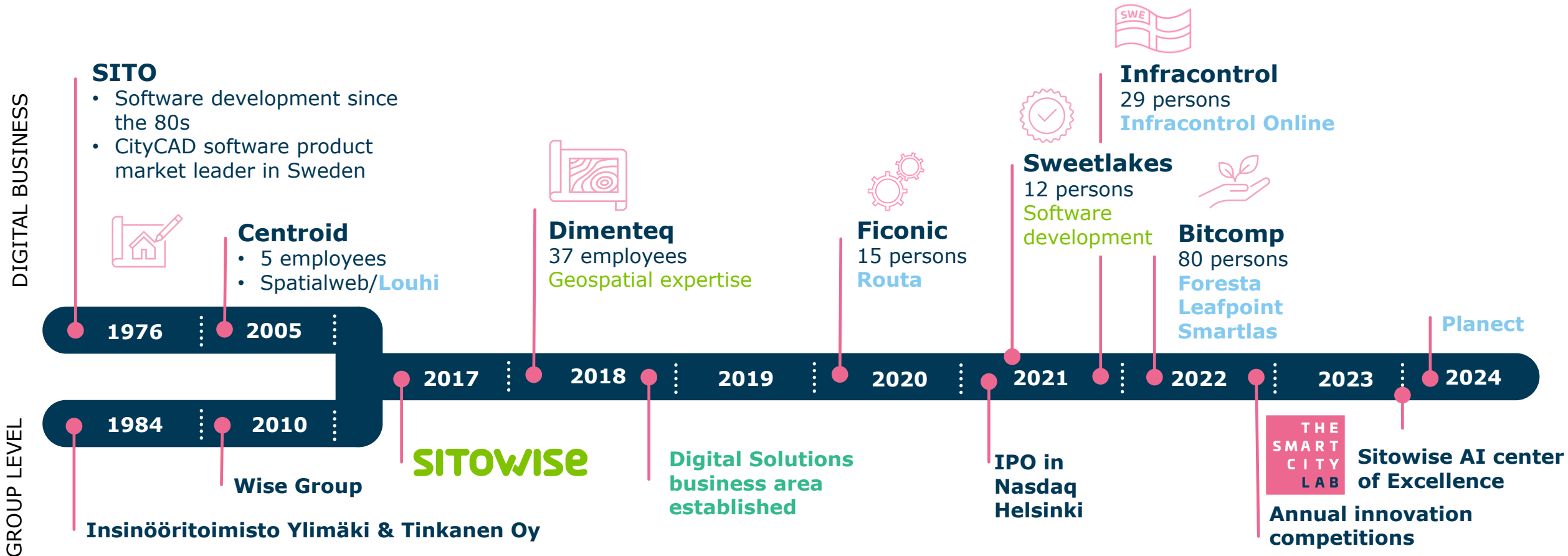


Management  
consulting

~300 experts

Complementary service offering to Buildings,  
Infrastructure and Sweden business areas

# ...built on over three decades digital expertise.



## What do our origins tell about us?

Strong growth mindset

Project and product business have developed side by side, supporting each other

A culture of agile development and adaptability

**Global**  
~7-10 Bn€

**Europe**  
~2.5 Bn€

**Nordic**  
~700 M€

**Finland  
& Sweden**  
~350 M€

**Expected market growth  
5-10% CAGR in 2024-2026**

Data source: Sitowise Management estimates

# GIS services & software market

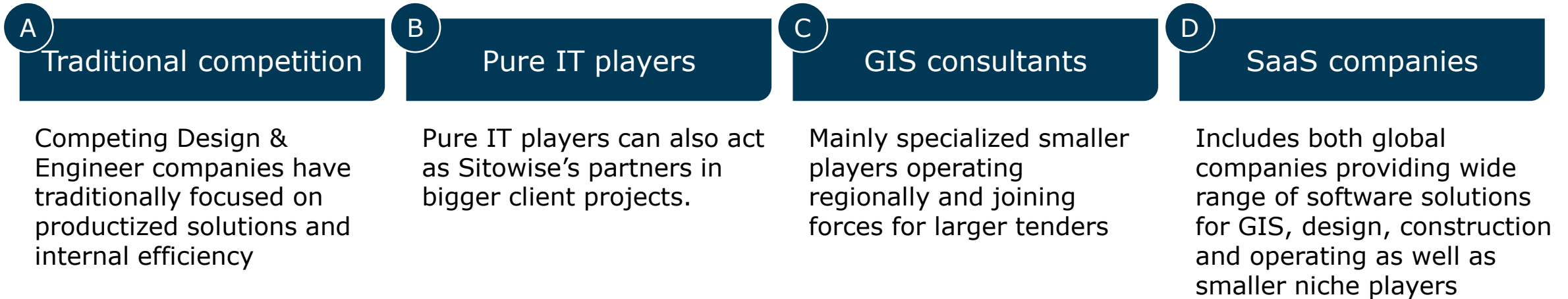
## Key trends supporting growth:

- ✓ Rapid accumulation of GIS data and need for solutions supporting data management and governance.
- ✓ Growing integration of GIS with IoT, smart cities, and asset management.
- ✓ Rising interest in open-source GIS solutions for their flexibility and cost-effectiveness.
- ✓ Increasing demand for off-the-shelf product solutions.

**Today, Sitowise has an estimated 10% market share in Finland & Sweden in GIS services and software market.**



# Competitive landscape overview



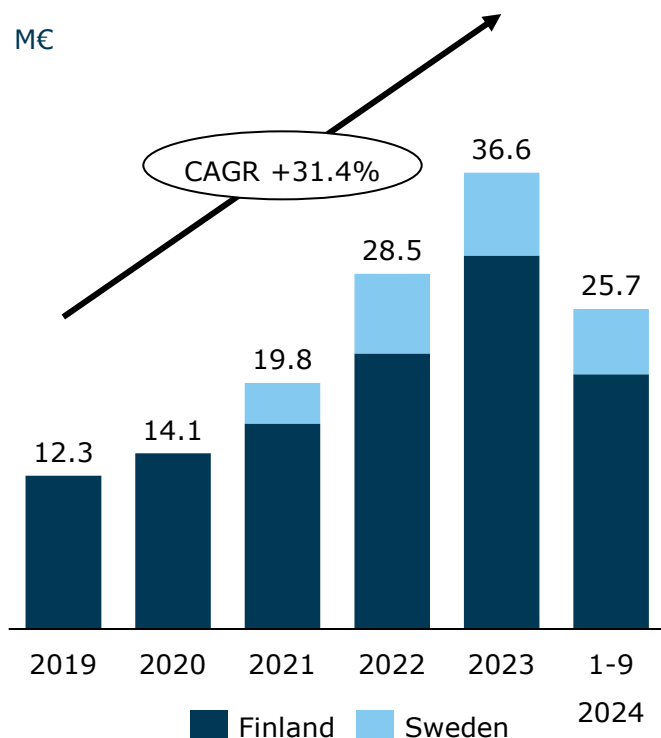
**Examples**

SWECO	AFRY	SIILI	VINCIT	NODEON	ADV /ADN	Trimble	Niche
RAMBOLL	Granlund	CGI	SOLITA	arbonaut	esri	MATTERSOFT Member of the INIT Group	GiSGRO
						Global	

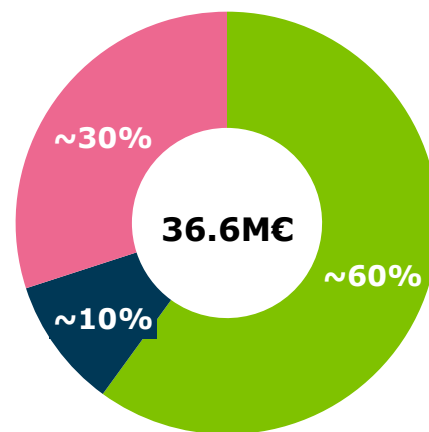
~100 relevant players mapped in digital solution field across the value chain

# A solid track record of profitable growth

## Organic growth and M&As driving net sales



## Diversified offering with SaaS driving growth



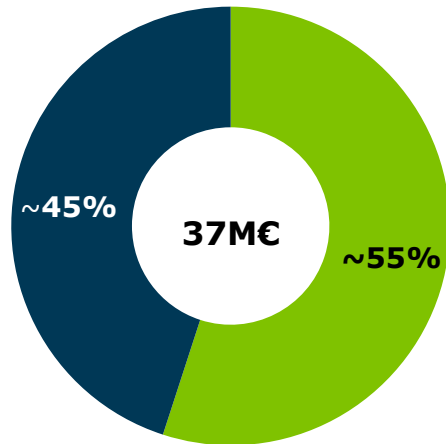
■ Software development  
■ Consulting  
■ SaaS and product

## Highlights:

- 6 successful acquisitions in 2019-2023.
- Clear profitability turnaround in 2023 with current profitability above Group target margin of >12% adj. EBITA.
- Long client contracts with stable revenue and profitability.
- Benefits from business model in the challenging market:
  - Product business close to 1/3 of the business.
  - ARR (Annual Recurring Revenue) increasing at double-digit speed.

# Strong client relations support further growth and innovation

## Balanced and loyal client base



Public sector  
Private sector

## Client segments

Built environment



Transport



Forest

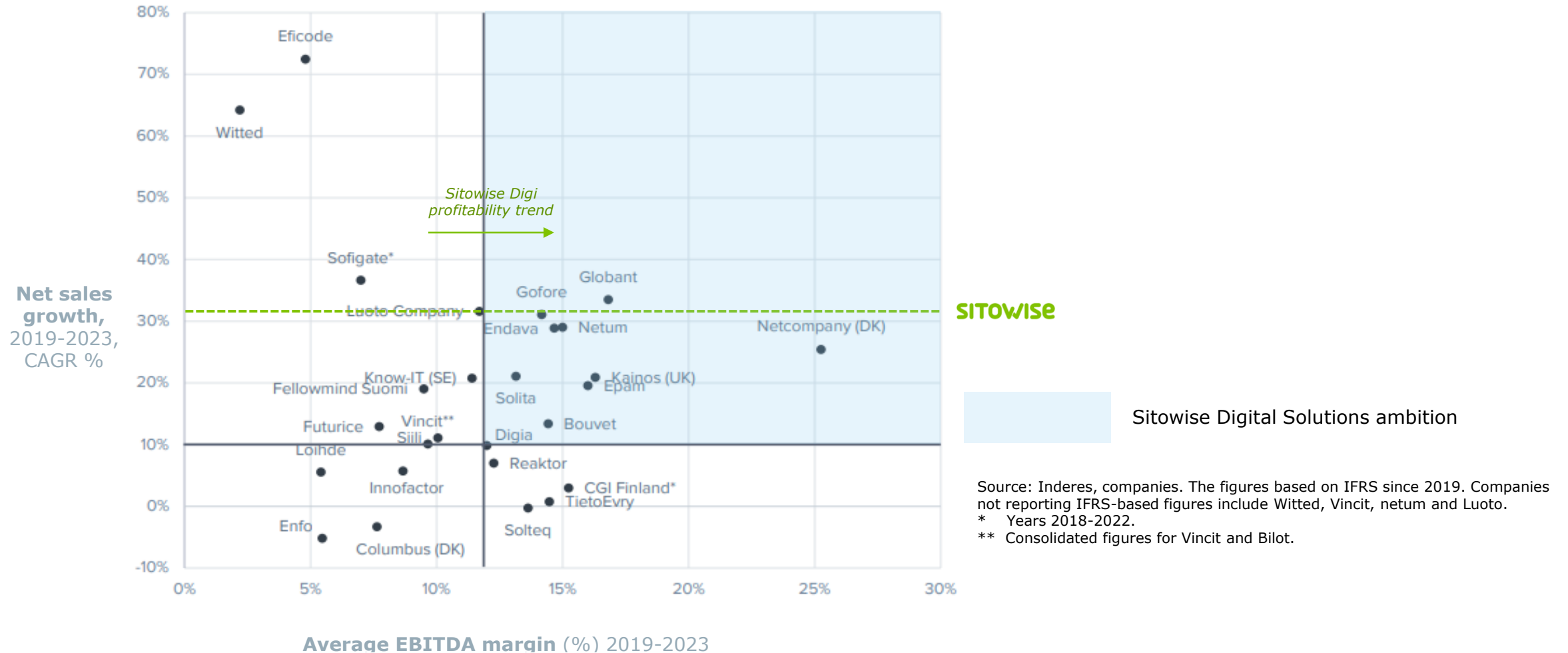


Energy and industry

## Highlights:

- Loyal customer base, with 99% customer retention rate for product portfolio.
- NPS 32.
- Strengthening emerging client segments.
- Strategic partnerships.
- Cross-selling with other Sitowise business areas.

# We target top-tier performance among relevant IT sector peers





# Flexible solutions tailored to client needs with wide independent technology stack



**Cloud platforms**



**Programming languages**



**Web-Frontend Backend**



**Mobile**



**Databases**



**DevOps**



**GIS & 3D**



**AI, machine learning**

# Custom software development: ~60% of digi revenues

## Custom software lifecycle projects:

- Design and develop IT customized IT systems, typically with a geospatial flavor
- Project phase followed by further development and maintenance
- Several years, 5-15 FTE, 1M-5M€, mostly public sector

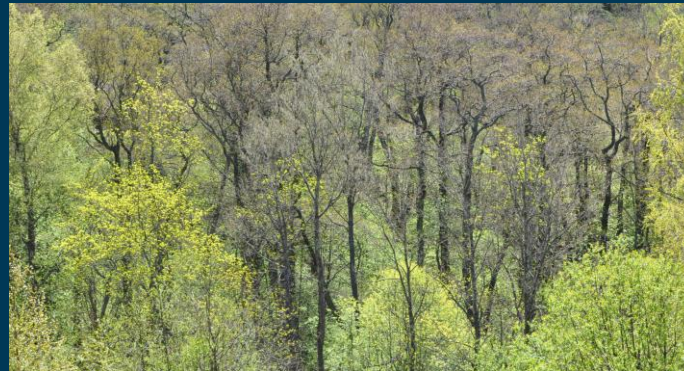
## Continuous development & maintenance

- Service for smaller customers' tailored software
- Moving to more productized offering
- Contract value 20k-500k€. Private sector, energy



### FINNISH TRANSPORT INFRASTRUCTURE AGENCY: KEY IT PROJECTS

GIS Services Operation | RAIDe project for railway data | Suomen Väylät map service | Road information systems | Velho road information system | Pooki and Haavi for Waterways Management



### METSÄÄN.FI

Finnish Forest Centre's renewed online service for forest owners. Approximately 100 000 users.



### FINNISH BUILT ENVIRONMENT INFORMATION SYSTEM (RYHTI)

New national home for land use and building information. Sitowise & Solita joint team.

# Consulting: ~10% of digi revenues

## Strategic support for customers in navigating impacts of megatrends:

- Data management, and extracting value from AI and location intelligence
- Digitalizing landscape of connected and resilient cities
- Digitalization of transport and logistics
- Sustainable energy transition
- Strategic business and concept design

## CASE EXAMPLE: A DIGITAL TWIN FOR POLICE TRAINING AND SIMULATION PURPOSES

Sitowise offers game engine-based digital twin technology for urban planning, used for example in a Police University College project in Tampere for police training. The digital twin replicates training scenarios with visual support, utilizing data from drone photography and 3D modeling.





# Product business: ~30% of Digi revenues

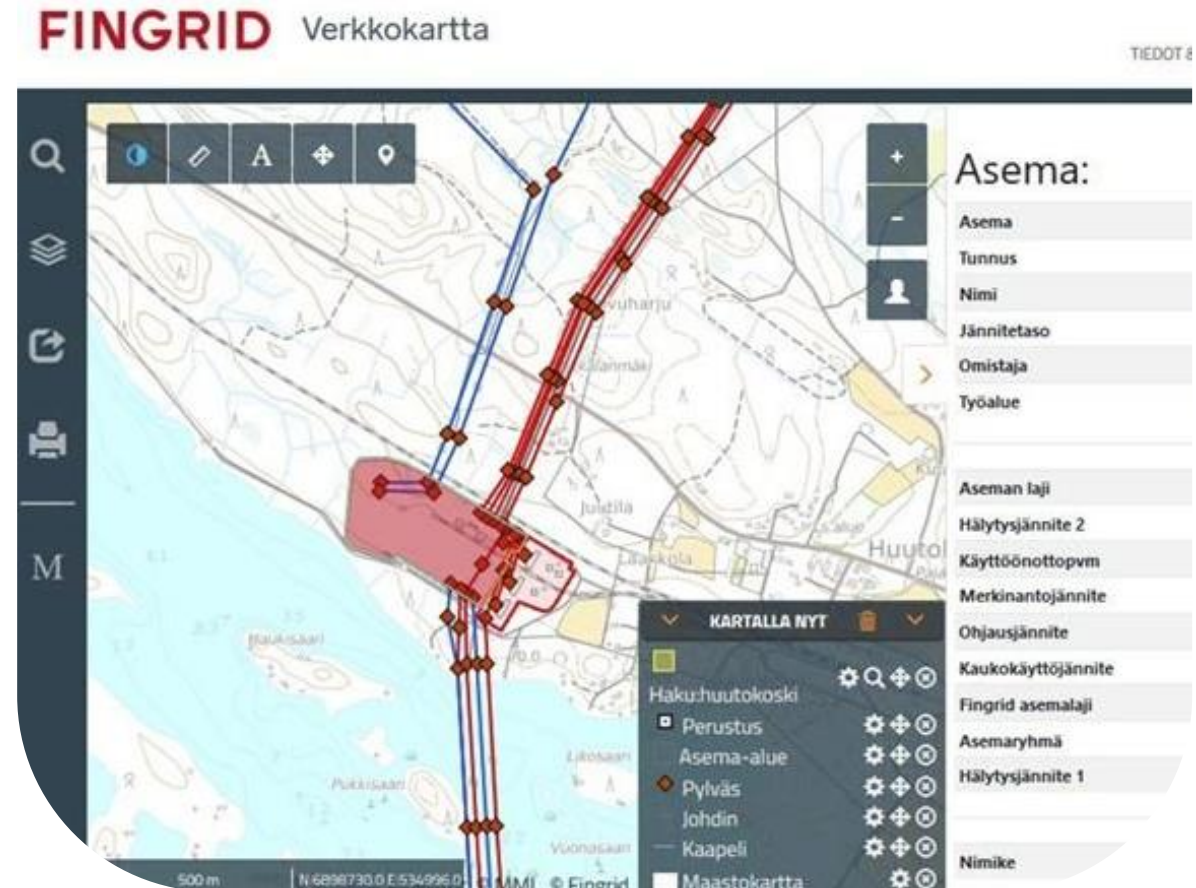
## Product offering with high revenue potential and profitability

- Products with a strong business case, good profitability and proven customer benefits
- Products complement each other, bringing comprehensive value to customers
- Significant revenue also from product-related software development sales, consulting and customer funded development

louhi. ruta. planect.  
infracontrol online. smartlas.  
foresta. LEAFPOINT








## CASE EXAMPLE: LOUHI FOR FINGRID, FINLAND'S TRANSMISSION SYSTEM OPERATOR

Sitowise has developed the Verkkokartta map solution, operating with the Sitowise Louhi GIS platform.





# Product portfolio overview

PRODUCT	Addressable market coverage	Life cycle stage
 LEAFPOINT	Full coverage	Maturity
 iouhi.	Established	Growth
 infracontrol online.	Established	Growth
 foresta.	Established	Mature
 smartlas.	Market creation	Growth
 routa.	Established	Growth
 planect.	First movers	Introduction/ Growth

Current net sales

## Product portfolio highlights

- ✓ ARR 7.4M€ (as per 1 Jan 2024)
- ✓ Expected ARR growth ~30% (in 2025)
- ✓ Retention rate 99%
- ✓ Share of client funded investments typically 20%\*

# !ouhi.

## Putting your relevant information on the map

**Louhi is an advanced geospatial solution that offers fast and flexible ways to make all geographically linked information easy to find, understand and communicate**

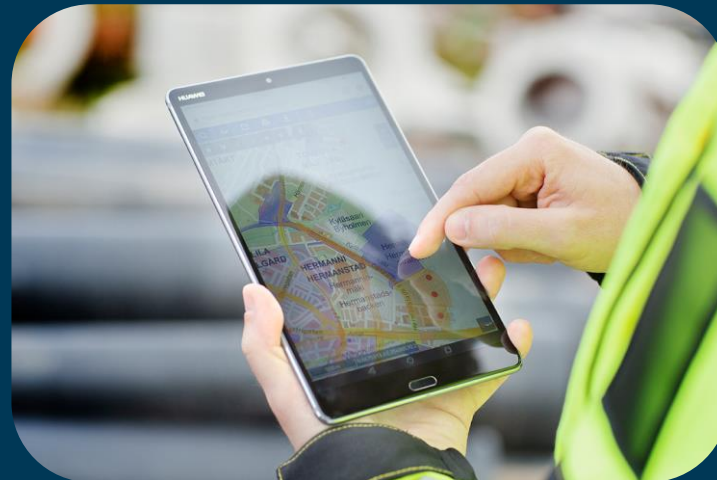
- ✓ Decision-making platform for operations
- ✓ User-Centric and accessible
- ✓ Collaborative ecosystem
- ✓ Integrative data hub
- ✓ Situational awareness

## Key customers

- Municipalities and cities, ~45% share of market
- Industrial sites, doubling current users during '24
- Energy sector

## Future directions

- Strong momentum in all current customer groups
- New add-on features for specific segments
- Cloud transition for platform scalability and new EU regulation provide significant opportunities also abroad



# infracontrol online.

**Makes city's infra maintenance easier and faster**

**Infracontrol Online is a smart city platform cloud service that combines IoT data, citizen feedback and infrastructure management and reporting into a single entity**

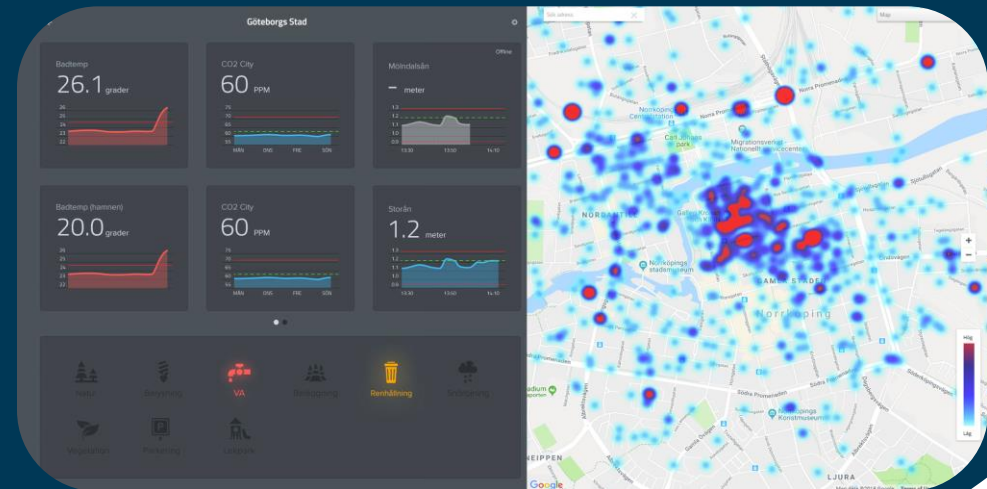
- ✓ Measurements of infrastructure and its use and condition
- ✓ System alarms
- ✓ Resident feedback and customer service
- ✓ Maintenance supervision and contracting

## Key customers

- Municipalities and cities, 50% share of market

## Future directions

- Further product development, new IoT modules
- Growth and upselling in Sweden & market expansion in Portugal
- International market screening



## Forest system for experts

**Foresta is a system for professional forestry and the management of forest resources for companies and organizations of various sizes**

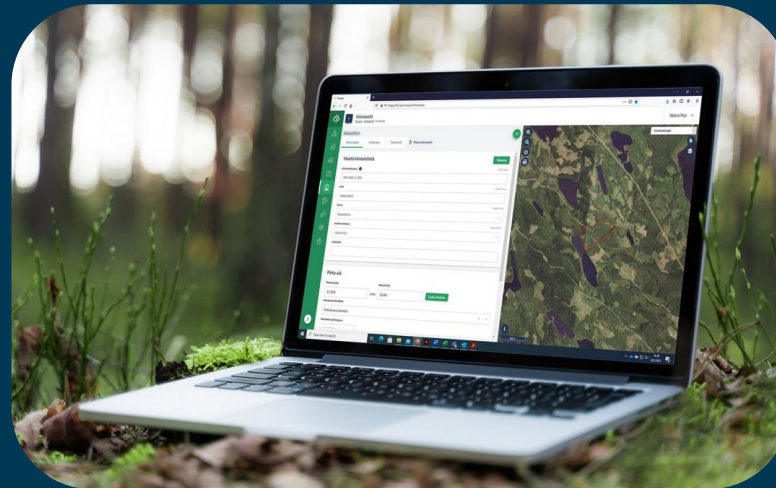
- ✓ Keep forest data up-to-date
- ✓ Plan operations and harvests
- ✓ Value forest assets
- ✓ Manage customers and sales

## Key customers

- Forest companies
- Municipalities
- Large forest owners
- Overall, 160 customer organizations, >50% share of market

## Future directions

- Mature product in upkeep phase and technology upgrades
- Market exploration outside Finland





## Map data services

**Smartlas offers collection of open maps and AI-based smart maps for more sustainable land use planning, forest management, decision making and reporting.**

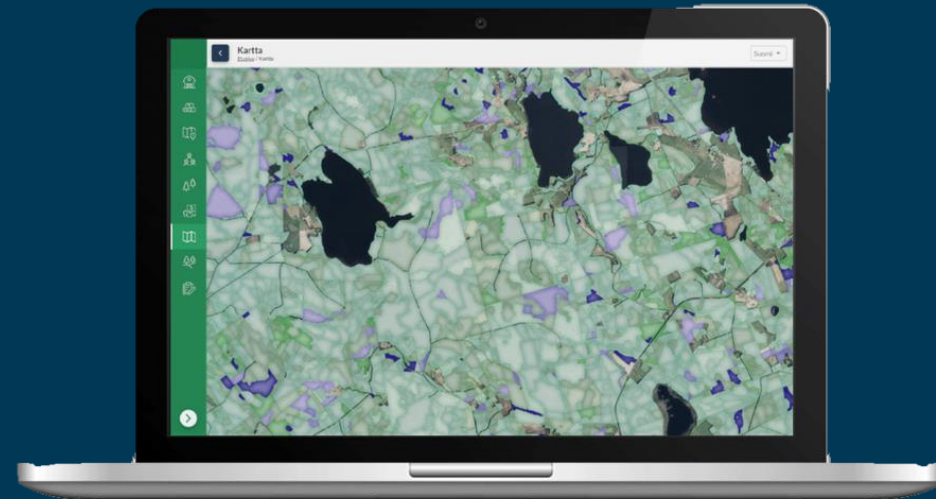
- ✓ Access to public GIS data
- ✓ AI-based map data for smart decision making
- ✓ Accurate information for risk management & climate reporting
- ✓ Optimized forest planning and land-use

## Key customers

- Municipalities and cities
- Forest organizations
- Energy sector
- Open GIS data provided to 90% of private forest owners and 45% of municipalities

## Future directions

- Further product development focused on AI-based map offering
- Accelerate sales of smart map offering in home markets
- International market screening with expansion abroad in 2-3 years, incl. partnerships





## The power tool for infrastructure maintenance

**Routa is a tool for planning, executing, tracking and reporting for road and other infrastructure maintenance work**

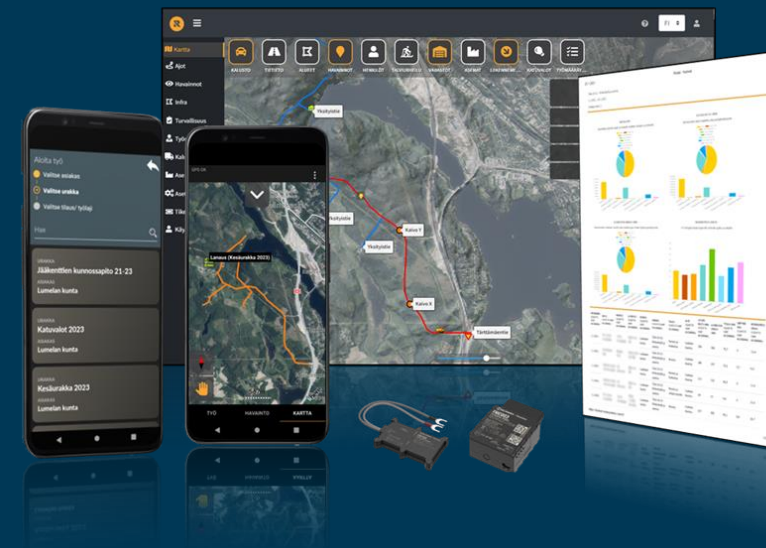
- ✓ Work and vehicle tracking
- ✓ Contract and work management
- ✓ Cost reporting
- ✓ Location based work and production management & execution

## Key customers

- Used in over 40 municipalities
- Infrastructure maintenance companies, major customers added within 12 months
- Government roads
- Forestry companies

## Future directions

- Opportunities in Finland, expansion to new client phase
- Initiating market exploration in Sweden and Baltics





## Climate impact assessments with ease and accuracy

Planect connects GIS data with planning information to produce accurate and lightning-fast climate impact assessments as well as provides data on average emissions

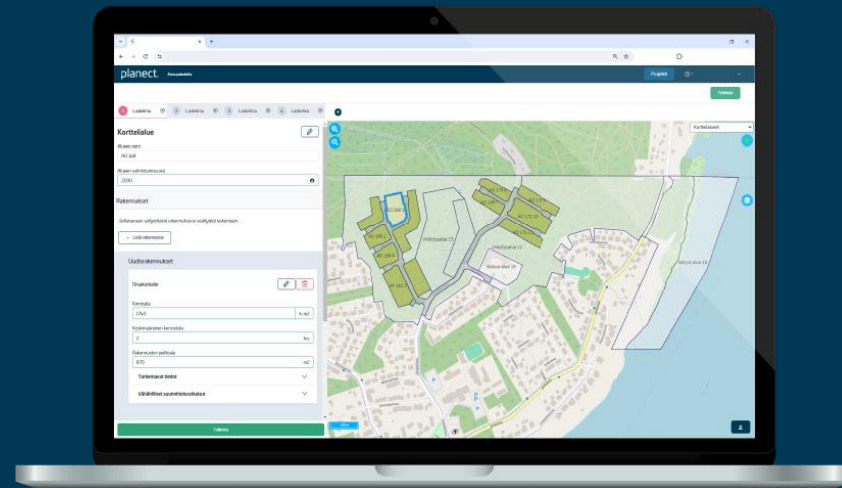
- ✓ Site preparation
- ✓ Infrastructure
- ✓ Buildings
- ✓ Transportation
- ✓ Energy use
- ✓ Carbon sinks

## Key customers

- Municipalities and cities
- 16 customers after launch in 2024

## Future directions

- Several add-on features / new module opportunities identified
- Cross-sales within Sitowise
- Growth in Finland, expansion abroad in 2-3 years time



# Strong R&D pipeline to drive further growth for digital business

## Examples of some ongoing initiatives



### > SMART HARVESTING

Our strategic partnership with **Ponsse** explores the potential of AI in smarter planning and optimization of loggings.



### > FOREST FIRE RISKS

In **Smartlas**, we have developed and piloting a new AI service to identify areas affected by risk of forest fires.



### > ASSET MANAGEMENT

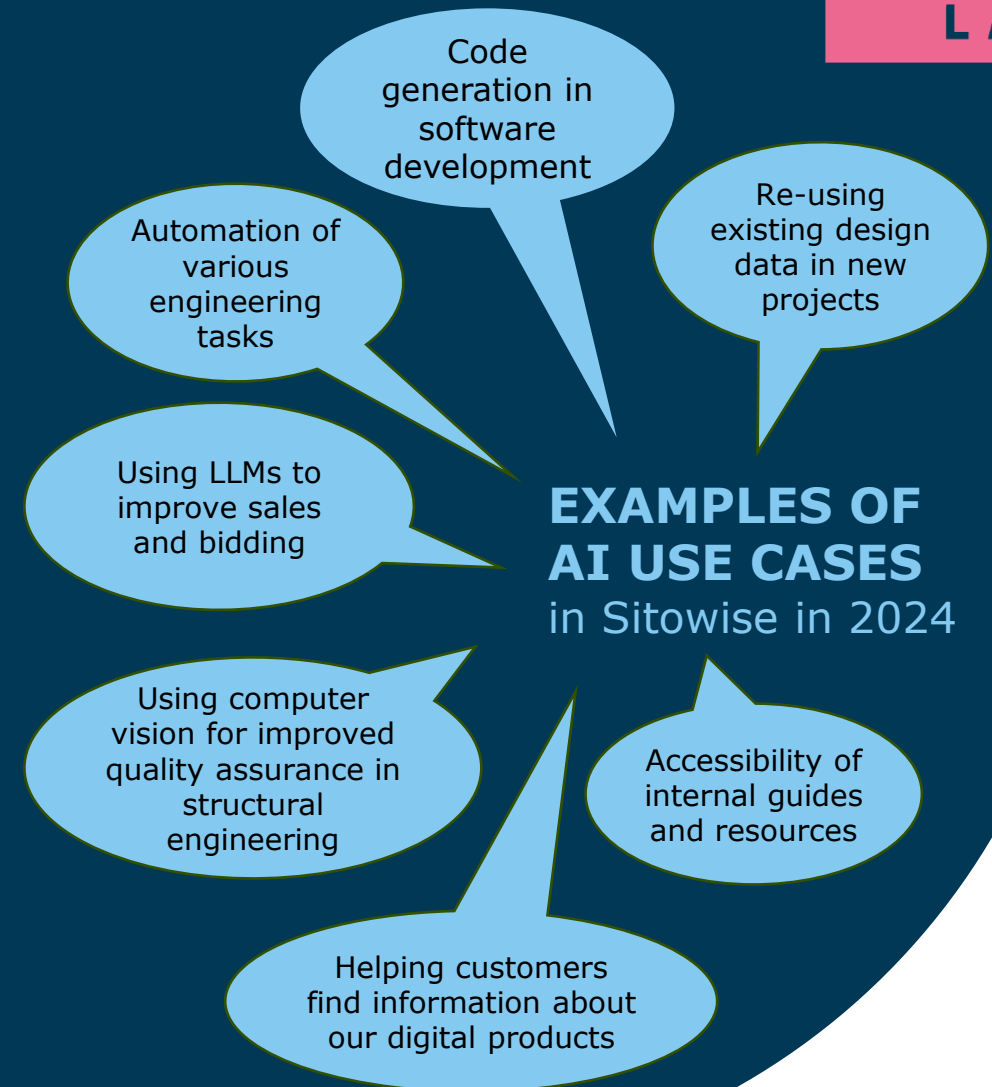
Prioritized new concepts validated with customers and in development:

- Data-driven **landmass management**
- **Climate risk and biodiversity** mapping
- Data services for improving **energy efficiency** of buildings
- IOT-based **quality assurance** of buildings

# Incorporating AI in our daily work

## WHAT HAVE WE DONE THIS YEAR?

- Established our **AI Center of Excellence**
- Developed ChatGPT-like internal AI service **Saga AI** and deployed it across the group
- Assessed our **AI maturity level** and identified strategic initiatives to reach the next level
- Identified **16 high-impact AI use cases**
- Produced **11 Proof of Concepts** validating the identified benefits in the use cases
- Solutions for 4 use cases deployed into use





## Digital Solutions future ambitions:

- ✦ **A leading service provider and partner in geospatial software projects in our home markets**
- ✦ **Significant growth through products and recurring revenue**
- ✦ **Double the business by 2030**

# Growth sources and strategic expansion

## 1 Home markets: Growth via existing client segments

- Strong momentum and opportunity to capture more market share in Finland.

## 2 Home markets: Commercial packaging

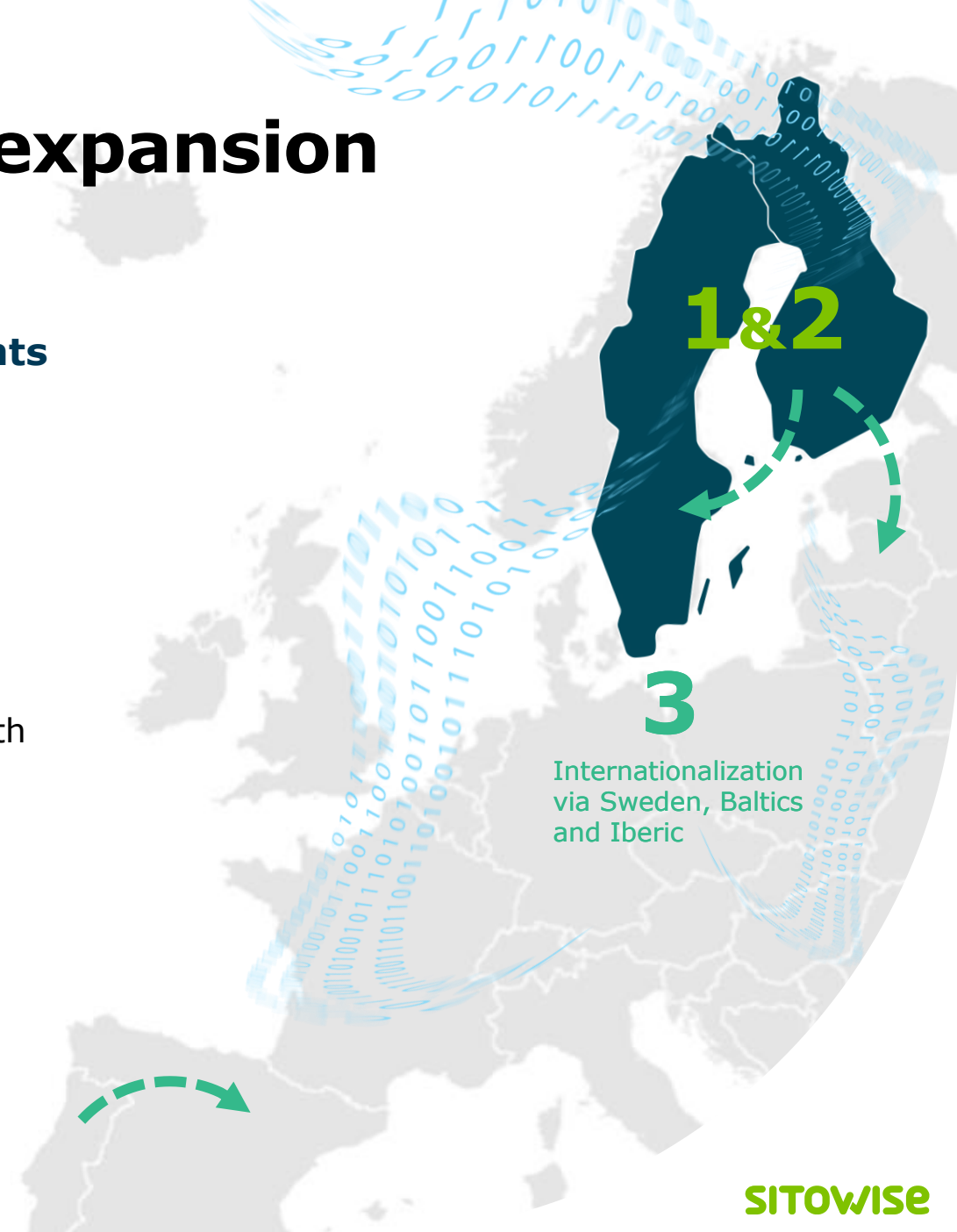
- Offering existing solutions to new client groups.
- Cross selling with other Sitowise services.

## 3 Geographical expansion

- Extending reach from Nordics to new European markets, with initiatives like direct sales and go-to-market partnerships.

## 4 Market tailwinds

- Increased demand for GIS solutions and data management, relevant product markets growing faster than IT services market on average.



# Digital Solutions short term-growth drivers



## Custom software development

- **Back to organic growth track** enabled by commercial excellence and boosting delivery with AI
- Expected market growth approx. 3-5% p.a.



## Proprietary SaaS products

- **Accelerate sales growth** of current products and create the conditions for **geographical expansion**
- Expected market growth approx. 15% p.a.



## Consulting

- Improve **utilization rate** and project profitability, and spearhead business to other service areas
- Expected market growth approx. 5% p.a.



Developing our culture based on employee engagement and growth mindset

# We aim to double Digital Solutions business by 2030

## Our mid- and long-term growth roadmap

**Global**  
→ 2030

Scaling product business internationally in long-term

**Europe**  
2026 →

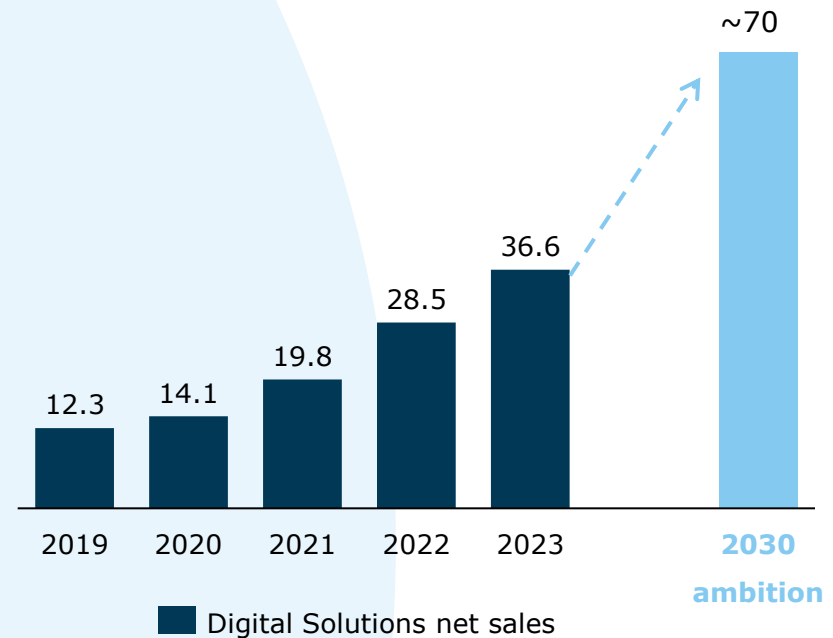
Market studies and screening with selected new market entries in short to mid-term

**Nordics**  
2025 →

Home market focus in short-term

**Finland & Sweden**  
2025

**We target significant growth through products** and growth in line with markets in project business and consulting



# Digital Solutions growth will help driving profitable growth in changing market in the whole Group



	Share of net sales	Market outlook	Current profitability
<b>Infra</b>	37%	Stable	Above target
<b>Buildings</b>	29%	Weak	Negative
<b>Digital Solutions</b>	<b>16%</b>	<b>Stable (improving)</b>	<b>Above target</b>
<b>Sweden</b>	18%	Weak (improving)	Negative

**Timeframe:**

Q3 2024

Next 12 months  
(as per 7 Nov 2024)

Q3 2024

**Definitions:**

Percentage of consolidated net sales

Strong / Stable / Weak

Adj. EBITA-% / Above: >12%;  
In line: 10-12%; Below: 5-10%;  
Clearly below: 0-5%; Negative <0%





**SITOWISE**

# Q&A



**SITOWISE**

**Demo session**  
**Digital Product Portfolio**



# Ohjelma

louhi.  
infracontrol online.  
routa.



**Ilkka Auer**  
*Product  
Business Lead,  
Louhi*

planect.



**Eero Puurunen**  
*titteli*

smartlas.  
foresta.



**Jani Heikkilä**  
*Head of Sales,  
Forest*

# Q&A