

## Q4/2024 President newsletter

10 January 2025

Sitowise publishes IR newsletters four times a year before the start of the silent period. The newsletter summarizes the past quarter and contains the quarter's most important releases, frequently asked questions by investors, and information on upcoming IR events.

Sitowise's silent period begins on 13 January 2025, and the financial statements release for 2024 will be published on 12 February 2024 at around 8:30 am EET. The webcast in English will be held on the same day starting at 12:00 pm EET. The link to the webcast will be published later.

### Insights to Sitowise Digital Solutions investor event

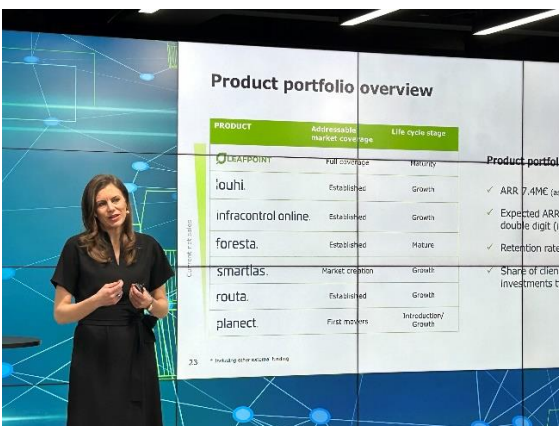
One of the focus areas of Sitowise's strategy is the expansion of Digital Solutions business. On 4 December 2024, Sitowise hosted an investor event focusing on the business, products, and growth opportunities of its Digital Solutions business. In the event, Sitowise's CEO Heikki Haasmaa and EVP of Digital Solutions Anna Wäck gave presentations.

Sitowise did not announce new targets in the event that would affect the Group's current strategy or long-term financial targets. The presentations included, however, the following information that is of interest to investors, but is not considered material information about the Group:

- Sitowise aims to double its Digital Solutions business in Finland and Sweden to a total of approximately 70 million euros by 2030 by seeking significant growth through SaaS and products business, by way of internationalization of its product business gradually, and by targeting growth in line with markets in Digital Solutions project business and consulting.

The event recording can be viewed at <https://sitowise.videosync.fi/digitalsolutions>

The presentation materials are here: [Insights into Sitowise Digital Solutions](#)



## The most important releases during Q4/2024

Investor news on 9 October 2024: [Unique virtual power plant opens up new energy markets | Sitowise](#)

Investor news on 18 October 2024: [Sitowise strengthens cooperation in offshore wind power projects | Sitowise](#)

Stock exchange release on 7 November 2024: [Sitowise's Interim Report Q3 2024: Determined actions for better future profitability | Sitowise](#)

Stock exchange release on 7 November 2024: [Sitowise Group Plc's financial reporting and Annual General Meeting in 2025 | Sitowise](#)

Investor news on 13 November 2024: [Sitowise to be part of Helsinki's light rail projects | Sitowise](#)

In the fourth quarter a total of 16 major shareholder notifications and two announcements on managers' transactions were issued. See details here: [Stock exchange releases | Sitowise](#)

All releases and news published by Sitowise can be found on the company's [website](#).

## Frequently asked questions

### **What visibility do you have to the Buildings markets improvements in H2 2025?**

The timing of the recovery is very uncertain. Our best estimate, which is based on external market views, is that the market will start to gradually recover in the second half of the year in 2025. However, we want to be cautious in our planning, as past estimates have not always materialized.

### **To achieve organic growth in Sweden, what internal changes and strategic initiatives are critical beyond waiting for the external market recovery?**

The first step was adjusting our capacity to the current order book to support the profitability of the business. Now, the focus is on sales, for example building up client network, active tendering, and clever pricing. We also see potential in breaking away some experts into segments where we see growth, such as Infra and Environmental services.

### **Given the current price competition, what do you consider a realistic mid to long-term profitability level for the Swedish business, and how does that align with the overall group profitability targets?**

We have not disclosed specific information, but our ambition is to have businesses with over 10% margin.

### **Will the growth in Infra and Digital Solutions continue?**

The market environment in both business areas continues to be mixed. Key driver for growth in both business areas will be increasing demand for services related to green transition, security, and digitalization of the built environment. At the same time the growth is slowed down by the increased competition and pricing pressure, and in addition in Infra business by the adverse impacts of the construction market downturn and in Digital Solutions by the weak demand in the private sector.

### **There is demand for green transition projects in the Infra business. Could you elaborate on what these projects involve in practice and the growth potential they have?**

We offer various sustainability-related services, including environmental impact assessments and biodiversity studies. In the energy sector, we are involved in renewable energy projects such as wind, solar, and hydrogen markets. These projects provide significant opportunities, and we have several initiatives and ongoing projects.

### **How is the pricing environment currently?**

In 2024, pricing pressure is more widespread across all business areas than in during 2023. It has been harder to mitigate the cost and wage inflation with pricing actions. Having said that, our focus has been and continues to be very much on proactive, customer-centric sales and on pricing excellence.

**What is your covenant level and what happened if you breach it at the end of the year?**

Our financing agreement includes one financial covenant, which is the net debt divided by rolling 12-month EBITDA ratio, with certain pro forma adjustments. This calculation differs somewhat from externally reported leverage figure. We have not disclosed the covenant level. During Q2 2024 Sitowise agreed on a temporary adjustment of the covenant levels.

**Do you still have access to undrawn debt facilities considering the covenant terms? What is your overall liquidity position?**

Our liquidity is good, and our cash position is good. We have unutilized capacity in our facility, but we have been careful with investments and have not drawn on it for a while. We have been operating and investing with the cash flow from operations and expect this to continue.

**Sitowise is known as an engineering company, consulting company for construction. What kind of synergies do you see between Digital Solutions and the other business areas?**

The unique aspect is the ability to combine strong technical expertise with digital competency. Our digital business has been profitable and is expected to continue complementing the overall Group performance. There is potential in the market for new ways of providing consulting services, and thanks to our Digi business the digital transformation is progressing faster within the whole Group too. We also have several common clients between the business areas.

**On the net sales side, you're aiming to double your net sales in Digital Solutions to €70 million by 2030. How much of this is projected to be the project business and how much SaaS/product business?**

The product business market is appealing as it is growing faster than IT services market, and demand can be generated through own efforts. Product business will thus be a significant growth driver for achieving the target, as the goal in Digital Solutions' project business and consulting business is to continue growing in line or somewhat faster than the market grows.

**Can you highlight a product or a SaaS business that has the most potential as a stand-alone product?**

Several products, such as Routa and Louhi, have high growth potential. Customers are interested in buying platforms that offer access to multiple products, presenting significant opportunities both in the home market and internationally.

**In the technical consulting industry, is artificial intelligence considered more of an opportunity or a threat?**

Artificial intelligence is considered more of an opportunity in the technical consulting industry. We see great potential in new smart services that are based on AI usage, providing us with future opportunities. The core of Sitowise's value creation is that we understand both the technical side of digital solutions and their usage context and the use of the customer's everyday tools. Additionally, there is already in the short-term a possibility to improve internal efficiency with AI, for example in sales and tendering work. We have already implemented five different use cases and are looking forward to the benefits.

**Are you still more in the phase where you are looking for internal efficiencies with the help of AI rather than actually creating new business?**

At the moment, we are progressing in both. New AI business has already been opened, for example, in the Smartlas product. Internally, generative AI tools already bring significant benefits - especially in the Digi-business area, but also in technical design business. When AI is used to improve our own operations, we are constantly looking at the possible change of business models of these services and openings for new services.

## Q4 2024 investor materials

Our [IR website](#) includes the following recent investor materials:

- [Sitowise Investor Presentation September 2024](#)
- [Sitowise Q3 2024 result presentation 7.11.2024](#)

## Financial calendar 2024

The planned publication dates for Sitowise Group Plc's financial reports in 2025 are as follows:

- Financial Statements Report 2024: 12 February 2025
- Interim Report for January–March 2025: 13 May 2025
- Half-year report for January–June 2025: 13 August 2025
- Interim Report for January–September 2025: 6 November 2025

The financial reports are planned to be published at 8.30 a.m. (EET/EEST). Sitowise observes a silent period of 30 days prior to publishing financial reports.

## Annual General Meeting 2025

Sitowise Group Plc's Annual General Meeting (AGM) 2025 is planned to be held on Wednesday 2 April 2025. The Board of Directors will summon the AGM later.

A shareholder may request that a matter falling under the authority of the General Meeting of Shareholders shall be placed on the agenda of the AGM. To this effect, a written request compliant with the Companies Act should be delivered and addressed to the Board of Directors on 12 February 2025 at the latest to [agm@sitowise.com](mailto:agm@sitowise.com).

## Investor events in 2025

See Sitowise's [Financial Calendar](#) for the upcoming IR events.

## Sitowise IR Team

Sitowise's IR Team is happy to help you with any questions. Please contact:

[ir@sitowise.com](mailto:ir@sitowise.com)

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### **About Sitowise**

*Sitowise is a Nordic expert in the built environment and forestry with strong focus on digitality. We provide design and consulting services to enable more sustainable and smarter urban development as well as smooth transportation. Sitowise offers services related to real estate and buildings, infrastructure, and digital solutions both in Finland and in Sweden. Global megatrends drive huge changes that require a re-evaluation of the smartness in the built environment – therefore we have set our vision to be Redefining Smartness in Cities. The Group's net sales were EUR 211 million in 2023, and the company employs more than 2,100 experts. Sitowise Group Plc is listed on the main list of Nasdaq Helsinki as SITOWS.*