
PRESIDENT AND CEO ÅSA BERGMAN'S SPEECH
SWECO'S ANNUAL GENERAL MEETING 2024

April 19, 2024

My dear shareholders.

Welcome to Sweco's Annual General Meeting. It is a pleasure to meet you all today to share the past year's key events for Sweco, and to answer any questions you might have.

2023 was characterised by acceleration of the green transition. This was in large part due to the current geopolitical situation, with Europe wanting greater control over supply, energy, and value chains. At the same time, a weaker economy impacted parts of our market. Political priorities and the climate changes have increased willingness to invest in the industrial and energy sectors, and Sweco has successfully navigated this landscape.

I'm proud that we conducted several projects during last year for the ongoing rebuilding of Ukraine. These included supporting the construction of homes for internal refugees in six cities. We are also contributing expertise to secure a potable water supply for the 220,000 inhabitants in the city Kremenchuk.

Strong sustainability commitment

During 2023, we have made significant efforts with our clients to promote our services within sustainable transformation, for example: Designing resource-efficient and resilient buildings, reducing climate impact from cities and industries, developing renewable energy

solutions, and preserving biodiversity. And I will come back to this later in my presentation.

The year in brief

But first, looking back, 2023 was a year of robust growth, where we consolidated our position as Europe's leading architecture and engineering consultancy.

Most Business Areas experienced good demand for Sweco's services within infrastructure, water, environment and industry as well as for securing the resilience of cities and communities. Demand for services in parts of the construction and real estate segments continued to weaken.

Our order book remains strong with 22,000 experts working closely with clients in 150,000 ongoing projects. Today Sweco is active in some 15 markets in Europe through eight business areas. We are also active in export projects in many other countries around the world.

Sales for 2023 increased 17 per cent to SEK 28.5 billion and EBITA increased 18 per cent to SEK 2.5 billion, with a margin of 8.9 per cent. The EBITA increase was mainly due to our ability to secure higher fees, to our increased number of employees and to contributions from our acquisitions.

Belgium, Germany & Central Europe, Denmark, the Netherlands, Sweden and Norway all posted higher EBITA levels, while the UK and Finland reported lower results.

Cost increases, negative project adjustments and a lower billing ratio had a negative impact on profit. Going forward, we will accelerate our growth journey while improving margins through higher efficiency, increased pricing and improved costs.

We have continued to demonstrate our adaptability by shifting resources and expertise from areas with lower demand, such as residential and commercial real estate, to other sectors. Our broad geographical spread in Europe, the balanced customer base comprising both private- and public-sector clients as well as the breadth of our operations gives us stability over time.

Advising in Europe's resilience and green transition

I want to tell you about some of the areas that we see are driving the market in Europe, by showing some key client projects from last year. Several of these are multi-disciplinary and involve Sweco experts from several countries.

As many of you probably are aware, major investments are to be made in the energy sector, with the EU investing EUR 300 billion through its "REPowerEU" package.

As electrification intensifies, there is an increased demand for Sweco's experts in the expansion of renewable energy, and the adaptation of power systems and electricity grids to meet new capacity requirements.

We have won several major projects for the mapping of energy transmission systems for clients such as Svenska Kraftnät in

Sweden, where we will be improving the reliability of the 16,000 kilometres of overhead lines that make up the backbone of Sweden's electricity supply in a SEK 50 million assignment. And for the state-owned transmission operator Statnett in Norway, we signed major framework agreements for over SEK 500 million for updating Norway's national grid.

In Germany, we have several grid extension projects, one of them is the NordOstLink which is a major project for over EUR 120 million for Sweco. This is an underground cable route, transporting renewable wind energy generated offshore for 230 kilometres, to mainland regions who aim to become independent of fossil fuels.

In Belgium, Sweco was selected as engineering partner for a 70-kilometre hydrogen pipeline for the infrastructure company Fluxys Belgium, preparing its pipeline network for transporting hydrogen and CO₂.

In the transportation sector, the EU has a target of doubling high-speed rail traffic by 2030, and tripling it by 2050.

Sweco is an advisor to many clients in this sector – as a matter of fact, we are a leading European railway consultancy, with 6,000 experts. We are, for example, involved in designing new transport systems, expanding railway track capacity in several countries. This also includes increasing security by implementing the European Rail Traffic Management System (ERTMS), a digital signalling system for managing rail traffic across Europe's rail network.

In the Netherlands, we are conducting a study for the construction of a new rail connection of 25 kilometres and 3 stations.

As we just announced on Wednesday, in Finland, we will provide design services in a project for the first tramway to be established in the City of Turku in Finland, including 12 kilometres of new light rail and design of 19 new stations. The value of Sweco's part of the project is approximately EUR 6 million.

We are also supporting the build-out of city metros in France, Sweden, the Netherlands, Belgium, Finland and Denmark. During Q4, we were awarded a SEK 250 million contract for 11.5 kilometres of new metro line here in Stockholm, including seven new stations, to be completed in 2030.

We see that harbour and ports are becoming a growing segment within infrastructure in several of our markets. As an example, Sweco has been commissioned by the Transport Authority in Denmark to analyse the availability of, and future need for, electricity and green fuels at 39 commercial ports. Let's look at a film about this project!

As for the industry sector, it is responsible for 25 — 30 per cent of total global CO2 emissions, and companies and countries are now investing heavily to transform their operations.

There is EUR 40 billion in available capital from the EU Innovation Fund over the next decade.

We are involved in some of Europe's most ambitious and large-scale industrial projects to reduce carbon dioxide emissions. These include energy supply and energy efficiency, energy storage using

hydrogen and hydropower - and that's where battery technology comes in - as well as CCS (Carbon Capture and Storage) and industrial circularity.

In Belgium we have been contracted by Volvo Cars in Belgium to develop technical specifications for replacing three main transformers at their car facility in Ghent. The purpose is to transition Volvo's manufacturing processes to rely more on electricity from renewable sources.

We are designing a state-of-the-art production facility for biotech company Ecohelix in Örnsköldsvik, Sweden, where renewable wood-based polymer products will be produced. The facility will be built entirely of wood and completed by late 2025 or early 2026.

In Finland, we are supporting PBX Solutions with the planning and design of the first industrial scale green hydrogen production plant, which will be up and running later this year.

In Norway, we are assisting the cement producer Heidelberg Materials in a government project for demonstrating capture, transportation and storage of CO₂ from industrial sources.

Now, to the development in the urban areas. Over 70 per cent of Europeans live in cities. Many of these cities are transforming to become more sustainable, digitalised and resilient. EUR 680 billion of the EU's budget will be allocated for climate relevant measures during the 2021–2027 period.

Being the world's fourth largest architecture company, with over 1,500 architects, Sweco is today advising clients in planning, design,

construction and circularity, and in resilient urban infrastructure and nature-based solutions.

In Finland, Sweco is taking part in developing a unique wood building concept for mixed hotel and office use for Stora Enso. The project is aimed at enabling real estate investors to build a seven-story flexible wood building and at proposing new ways of increasing the circularity of buildings.

Sweco will lead a consortium that will develop a new large-scale hospital complex in the south of Luxembourg, to be fully operational by 2033. We will be managing the entire spectrum of design phases including advice to achieve high sustainability standards.

In Denmark, we have designed a combined retirement home and preschool in the same building in a new approach to urban development aimed at promoting intergenerational interaction. We worked with environmentally friendly, robust and durable building materials, climate adaptation for the building construction, small-scale food production and measures to preserve biodiversity.

Growth potential

In addition to the growth areas connected to the green transition, we have identified great potential in a couple of other sectors.

We are strong in the health care sector, and in advising clients in the pharma sector.

Recently, we have also won several prestigious hospital projects with a focus on the patients, in Belgium, Norway and the one I just showed you in Luxembourg, and see growth in planning, designing, building and optimising hospitals and other health-oriented building projects.

Defence is another area where we see considerable potential, as is the case for data centres.

Digitalisation as a facilitator

In 2023, digitalisation, now spearheaded by AI, remained a catalyst for efficiency and innovation in our client work. I hope you took the chance to experience the Virtual Reality demos here today – they are examples of the digital solutions that are part of everything we do today for clients.

Digital solutions are often a prerequisite for achieving a sustainable transition together with our clients. In the sectors we are active in, development, sustainability and digitalisation go hand in hand with new technology as a means of analysing, simulating and designing the best solutions.

For example, last year Sweco's experts used advanced digital solutions to optimise and automate processes in the areas of water management, energy production and industrial production. We also utilised an array of digital technologies to design, plan and optimise transportation systems.

Steady pace of acquisitions

In the last 20 years, Sweco has completed 160 acquisitions. Acquisitions are an important component of our growth strategy in Europe. They help strengthen our geographic presence and offering as well as provide the cutting-edge expertise we need for the future.

During 2023, we completed ten acquisitions that added SEK 1.8 billion in revenue, and we welcomed more than 1,200 new experts to Sweco.

Our largest acquisitions comprised VK architects+engineers in Belgium with 600 experts and OJ Rådgivende Ingeniører in Denmark with 325 experts. The former strengthens our position in Belgium, and in the health sector, and the latter doubles our size in Denmark's construction sector.

With the acquisition of Medins Havs och Vattenkonsulter in Sweden we gained niche expertise in aquatic environments, which is essential in the green transition. We will get to hear more about this later on today.

All in all, we were successful in our acquisition agenda — and there are still excellent acquisition opportunities in growth areas to strengthen Sweco's position.

Our experts are our most important asset

The ability to attract, develop and retain the right competence is essential for Sweco's business. There is considerable demand for engineers and the skills shortage is, and will remain, a challenge for the entire industry.

But despite that and the economic downturn in Europe in 2023, we've succeeded in recruiting new people and have also gained new people through the acquisitions we've made.

Sweco retained its position as one of the industry's most attractive employers — actually, in 2023 we were listed as top employer by MScs in engineering in Sweden, right after Polestar, Spotify, IKEA and Google. That itself is a sign that we have created an attractive employer brand!

Moreover, our employee satisfaction remained high during last year which is also key to us. For example, 83% of Sweco's employees felt inspired in their daily work, up from 79% in 2022.

An important part of retaining employees and creating this engagement is our leadership and that we work with diversity in all aspects. But it is also about multi-disciplinary teamwork in a decentralised, European organisation, where individual expertise is key.

I strongly believe our employee satisfaction is high because our employees realise they are at the forefront, and that we together play a decisive role in the projects that are driving the transformation to a more sustainable society.

Well-positioned for continued growth

So all in all, Sweco is well-positioned to navigate successfully in this market going forward. With the strength of the collective expertise of

our more than 22,000 architects, engineers and other experts, we work with our clients to create solutions that will accelerate the transformation of society.

I always go back to the fact that Sweco was founded based on Gunnar Nordström's vision, of a combined architectural and engineering firm that creates synergies across disciplines. This interdisciplinary approach is more relevant than ever now!

I'd like to conclude by extending my thanks to the Board for their continued trust. I'd also like to thank our employees, clients and partners for the initiatives we took together in 2023.

And I'd like to thank you, our shareholders, for your support.
