



YIT Corporation

This registration document (“**Registration Document**”) has been prepared by YIT Corporation (“**YIT**” or the “**Company**”), a public limited liability company incorporated in Finland.

This Registration Document shall be valid for 12 months from its date of approval. For a period of 12 months from the date of approval of this Registration Document, a prospectus concerning an issue of the Company’s securities may consist of this Registration Document and an issue-specific, separately approved securities note and, where applicable, a summary (the Registration Document, including the documents incorporated by reference, together with the securities note and, where applicable, a summary, are jointly referred to as the “**Prospectus**”).

This Registration Document contains information on YIT and its business operations and financial position. A securities note contains information on the securities on offer or the securities applied for listing. While a summary is required to be published, it presents, in conjunction with the securities note, key information on YIT and its securities.

In this Registration Document, “**YIT**” and the “**Group**” refer to YIT Corporation and its consolidated subsidiaries, except where the context may otherwise require. All references to the “**Issuer**” and the “**Company**” refer to YIT Corporation.

This Registration Document should be read in conjunction with all the documents, which are deemed to be incorporated herein by reference and such documents form part of this Registration Document. See “*Documents Incorporated by Reference into this Registration Document*”.

This Registration Document has been drawn up in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council, as amended (the “**Prospectus Regulation**”), the Commission Delegated Regulation (EU) 2019/979, the Commission Delegated Regulation (EU) 2019/980, in application of Annex 8 thereof, the Finnish Securities Markets Act (746/2012, as amended) (the “**Finnish Securities Markets Act**”) and the regulations and guidelines of the Finnish Financial Supervisory Authority (the “**FIN-FSA**”). The FIN-FSA, which is the competent authority for the purposes of the Prospectus Regulation and relevant implementing measures in Finland, has approved the Registration Document (journal number FIVA 15/02.05.04/2021), but assumes no responsibility for the correctness of the information contained herein. The FIN-FSA has only approved this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval shall not be considered as an endorsement of the qualities of the securities nor the Issuer. This Registration Document has been drawn up as a simplified prospectus in accordance with Article 14 of the Prospectus Regulation.

Investors should rely only on the information contained in this Registration Document and the related securities note and, where applicable, any summary thereof. No person has been authorised to give any information or to make any representation not contained in or not consistent with this Registration Document or any information supplied by YIT or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by YIT. Neither the delivery of this Registration Document nor any offering or sale made under any prospectus of which this Registration Document forms part shall, under any circumstances, create any implication that there has been no change in the affairs or no adverse change in the financial position of the Issuer and YIT since the date hereof or the date upon which this Registration Document has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the securities is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. Investors are advised to inform themselves of any stock exchange releases published by YIT since the date of this Registration Document.

The distribution of this Registration Document and the related securities note and, where applicable, any summary thereof, may, in certain jurisdictions, be restricted by law, and any of said documents may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. YIT advises persons into whose possession this Registration Document and the related securities note and, where applicable, any summary thereof, comes to inform themselves of and observe all such restrictions.

YIT’s securities shall not be offered, sold, directly or indirectly, and this Registration Document or the related securities note or, where applicable, any summary thereof, must not be distributed or published outside Finland, except for circumstances in which this is not in breach of applicable laws. Those in possession of this Registration Document should assess and comply with the restrictions pertaining to them. Non-compliance with such restrictions may be in breach of securities laws in the relevant jurisdictions. The Company and its representatives are not liable for such breaches, regardless of whether those considering an investment in YIT’s securities are aware of such restrictions.

This Registration Document has been prepared in English only.

TABLE OF CONTENTS

| | |
|---|----|
| Risk Factors | 1 |
| General Information..... | 28 |
| Description of YIT..... | 31 |
| Summary of Recent Disclosures..... | 39 |
| Green Finance Framework..... | 41 |
| Board of Directors, Management and Auditors | 43 |
| Share Capital and Ownership Structure | 50 |
| Additional Information | 51 |
| Documents Incorporated by Reference Into This Registration Document | 52 |

RISK FACTORS

An investment in YIT's non-equity securities involves a number of risks, many of which are inherent to YIT's business and could be of a substantial nature. Investors considering investment in YIT's non-equity securities should carefully review the information contained in this Registration Document and, in particular, the risk factors described below. The following description of risk factors is based on information known and assessed on the date of this Registration Document and, therefore, is not necessarily exhaustive. Should one or more of the risk factors described herein materialise, it could have a material adverse effect on YIT's business, financial condition, results of operations and prospects, and, therefore, the Company's ability to fulfil its obligations under the non-equity securities as well as the market price of the non-equity securities. YIT also faces many of the risks inherent to its industry as well as YIT's customers and co-operation partners and additional risks not currently known or not currently deemed material that could also have a material adverse effect on YIT's business, financial condition, results of operations and prospects. The market price of the non-equity securities could decline due to the realisation of these risks, and investors could lose a part or all of their investment.

The risk factors presented herein have been divided into four categories based on their nature. These categories are:

- *risks relating to YIT's operating environment;*
- *risks relating to YIT's business operations;*
- *risks relating to YIT's legal and regulatory environment; and*
- *risks relating to YIT's financial condition and financing.*

Within each category, the risk factor estimated to be the most material on the basis of an overall evaluation is presented first. However, the order in which the risk factors are presented after the first risk factor in each category is not intended to reflect either the relative probability or the potential impact of their materialisation. The order of the categories does not represent any evaluation of the materiality of the risk factors within that category, when compared to risk factors in another category.

Risks relating to YIT's Operating Environment

The COVID-19 pandemic and other potential pandemics and epidemics may adversely affect the business operations of YIT through, among other things, overall economic situation and deterioration of availability of financing, delays and reduced economic activity of customers.

Global epidemics and pandemics, such as the current outbreak of COVID-19 (also commonly referred to as the "coronavirus") have had and may in the future have a significant impact on the global economy and financial markets and, by extension, on the national economy and the financial positions and behaviour of both companies and consumers. The coronavirus pandemic has spread rapidly globally in the past year and disrupted various markets and resulted in severe uncertainty about the development of the economies affected by the outbreak both in Europe and elsewhere. Such economic uncertainty may have a material adverse effect on demand in the real estate market, availability of financing and prospects of YIT's customers, as well as consumer decision-making and purchasing power in the housing market. Uncertainty in the global economy and financial markets, which may be exacerbated by pandemics or epidemics, undermines both corporate and consumer confidence in the economy, and may reduce their economic activity, for example, by causing them to postpone purchasing decisions or investments. As YIT's customer base includes both companies and consumers, lower corporate and/or consumer confidence in the economy and reduced economic activity may also have an adverse effect on YIT's business. Many of the world's central banks and governments have issued support packages and stimulus programs for companies and consumers affected by the coronavirus pandemic. However, it is uncertain whether these recovery measures are sufficient to deflect the economic downturn, and this may have a material adverse effect on demand and decision-making in the real estate and housing markets, the availability of financing for both YIT and its customers, delays in consumer mortgages for housing and the prospects of both YIT and its customers. During 2020, YIT's operating environment was hit by the COVID-19 pandemic. The effects began to show in YIT's operating countries in mid-March 2020, and the extent of the effects varied within the year in line with the pandemic waves.

A global epidemic or pandemic, such as the coronavirus pandemic, may affect YIT's business both directly and indirectly as a result of, among others, public health measures, such as business closings and government restrictions on travel and gatherings. The restrictions on movement may impact or cause delays in the production and availability of some components and materials required in YIT's business. Restrictions on movement may also lead to increases in material prices as well as interruptions or delays at the Company's construction sites due to their impact on the availability of foreign labour and material supplies. Delays and interruptions may, in turn, negatively affect the amount and the date of revenue being recognised for projects, as well as project margins and consequently the profitability of YIT's operations. Additionally, various restrictions may also require YIT to reshape the ways foreign workers are, for example, accommodated or transported to YIT's construction sites, which may incur additional costs to YIT. An epidemic or

pandemic may also slow down the authorities' permitting processes, which in turn could delay the commission of completed apartments by YIT.

These restrictive measures caused by an epidemic or pandemic and overall uncertainty in the global economy and financial markets could have an adverse effect also on the activities of YIT's subcontractors and suppliers. Restrictions and measures may, for example, increase the prices and lengthen the delivery times of materials used by YIT or its subcontractors on YIT's construction sites. In addition, an epidemic or pandemic may lead to large-scale medical leaves or other absences due to, for example, official quarantines of YIT's, or its subcontractors' or material suppliers' employees. Moreover, the construction sector in Finland is afflicted by a lack of competent workforce, and an epidemic or pandemic could negatively impact the availability of workforce even further (for further information, see "*The construction sector is afflicted by a lack of competent personnel in some of YIT's operating areas*" below). The impact of the aforementioned can lead to temporary shutdowns or slower progress on construction sites and delays in completions, and as a result, revenue and profit being postponed from one quarter or year to another. An epidemic or pandemic may also lead to changes in market yields, which may have impacts on the fair value of the investments and pose a risk for the profitability of the Company. Furthermore, an epidemic or pandemic can have an impact on the utilisation rates of properties owned and sold, and thus values thereof.

An epidemic or pandemic may have a significant impact on the financial situation of, and availability of financing for, both YIT and its subcontractors and customers, which may cause development projects to be postponed, temporary stalls at work sites, cancellations of already agreed orders or postponements of started projects. The coronavirus pandemic and the related governmental measures and restrictions may lead to deterioration in the financial position of consumers and private investors, which, in turn, may lead to a fall in demand for housing, slower-than expected trends in sales, and a fall in sale prices. A decline in the economic position of customers may also lead to an increase in credit losses by YIT as sale receivables are impaired. Any increases in market yield requirements may lead to decreases in sales value of real estate. For example, the increased yield requirements due to the coronavirus pandemic had a negative effect on the fair value of Mall of Tripla. In the last quarter of 2020, the fair value change of the Mall of Tripla investment had a negative impact of EUR 16 million on the YIT's result. Pandemics and epidemics may also lead to delays on the client side and YIT may be forced to adapt its costs through furloughs and delay the start of new projects.

The confidence of YIT's customers in the economy and their personal finances may have a material impact on YIT's business. A pandemic or an epidemic may impact the economic activity and investment decision-making of YIT's customers due to their weakening financial situation as a result of, for example, unemployment or temporary dismissals among YIT's consumer customers and through customers' willingness to invest or their ability to obtain financing. Reduced economic activity and postponed decisions on investments may have a material impact on the price of and demand for projects implemented by YIT, such as business premises and housing, as well as parameters used for the fair valuation of certain balance sheet items and thereby, on YIT's business. Reduced demand, and any subsequent fall in prices, may have a negative impact on YIT's net sales, cash flow, liquidity and, for example, whether the Company is able to meet the covenants for its financing agreements or obtain financing for new construction projects. During 2020, the COVID-19 pandemic caused a few temporary site closures at YIT's sites following the decisions of the authorities, delays in the authority processes, and general market uncertainty. Other than such temporary site closures, YIT's operations remained uninterrupted in all countries in which it operates, albeit subject to the restrictions related to the COVID-19 pandemic. The effects of the ongoing coronavirus pandemic as at the date of this Registration Document (including timing, duration and extent of impacts) on the global economy, economies of countries where YIT operates, YIT's business and YIT's subcontractors and customers are difficult to predict, especially since the pandemic situation and subsequent public administration's decisions and measures are changing rapidly. Materialisation of any of the aforementioned risks could have a material adverse effect on YIT's business, financial position, operating result and prospects, and thereby, on the Issuer's ability to fulfil its obligations.

Uncertainties and unfavourable developments in the economy, political environment and financial markets in YIT's operating countries could have a material adverse effect on YIT's business and customers, results of operations, financial position and liquidity, as well as the availability of financing.

In recent years, the general economic and financial market conditions in Europe and other parts of the world have undergone significant volatility as a result of, among others, the debt crisis in certain European countries. The risk of a broader economic downturn and slowing global economic growth has increased as a result of the coronavirus pandemic. YIT is particularly exposed to macroeconomic conditions affecting Northern Europe, Russia and the Baltic and central Eastern European region.

The market conditions have also been, and are likely to continue to be, affected by the varying pace of economic growth and increased debt levels in China, the timing of monetary policy changes in the United States and the volatile global oil prices. Geopolitical events, such as continued tensions in the Middle East and the Korean Peninsula, economic sanctions imposed by the United States and the EU against certain Russian individuals and entities and continuing trade tensions between the United States and China, the United Kingdom's withdrawal from the EU, past and potential future changes in certain policy goals of the U.S. government and changes in trade policies globally, including the introduction of protectionist initiatives such as new or higher tariffs, pandemics and widespread public health crises have also caused, and

are likely to continue to cause, uncertainty in the markets and concern about the development of the global economy. If the economic problems or uncertainties in Europe and globally continue or worsen, this may lead to some European countries leaving the Eurozone or to the break-up of the entire Eurozone, resulting in adversity in the economic conditions of Europe. As a result of these or other geopolitical tensions or political developments, market uncertainty and volatility could increase.

It is difficult to predict the trend in market conditions because it is influenced by macro-level changes in the financial markets and many other factors, including, among others, the stock, bond and derivative markets and measures taken by various administrative and regulatory authorities and central banks, which YIT cannot influence. Uncertainty remains in the global markets and it cannot be ruled out that the global economy could fall back into a recession, or even depression, which could be deeper and longer lasting than the recessions of recent years.

General economic development and changes in the operating environment could have a material effect on YIT's business. A weakening of Europe's economic conditions, a potentially unfavourable trend in the global economy and persistent uncertainty in the financial markets could have an unfavourable effect on YIT's financing expenses and the availability of bank and equity financing in construction and real estate sectors, which may be reflected in demand for construction services and housing, among other things. Moreover, YIT may not necessarily be able to exploit all the opportunities offered by economic cycles, or YIT could fail to adapt its business to a long-term economic downturn or stagnation. Weaker availability of financing or a higher financing cost could also have a negative impact on demand for YIT's products and services, such as apartments and business premises.

Economic slowdowns or recessions and the uncertainty prevailing on the financial markets in the EU, the United States and elsewhere in the world might adversely affect YIT's business in a number of ways, including its orders, order book, sales, net income and cash flow. Any increased political uncertainty, escalation of geopolitical tensions or economic slowdowns or recessions might lead to disruptions in YIT's operations. The materialisation of any of the aforementioned risks could have a material adverse effect on YIT's business, financial position, results of operations and prospects and thereby, on the Issuer's ability to fulfil its obligations.

Changes in the Finnish economy and financial markets could affect YIT's business and customers.

Finland accounts for a significant share of YIT's business, which highlights the significance of Finland's economic development for YIT's business. Although the general economic situation in Finland has been relatively stable recently, it may vary significantly from time to time.

The construction sector is cyclical in nature and its volumes and profitability vary as a result of economic conditions, the amount of investments in real estate and other factors. A lower or negative level of general economic activity or, in particular, investments made in fixed assets could have material adverse effects on the overall demand and profitability of the construction sector. Moreover, the interest rate level, consumer and business confidence, vacancy rates in properties and the unemployment rate all have an effect on the construction and real estate market, the effect of which may cause the demand for YIT's services and products to decrease. Construction projects commissioned by the public sector, such as the state or municipalities, are also dependent on the amount of public spending and tax revenue, as well as on political decisions. Difficulties in financing infrastructure investments, especially in the municipal sector, may also negatively impact the demand for YIT's services and products.

Construction activity depends especially on companies' confidence in the general trends in the economy and the prospects of their business as well as consumers' confidence in their own finances. When the cyclical outlook weakens, demand for housing and business premises declines. As a result, the prices and rents of business premises and housing can also go into a decline. Finnish businesses have in general been adversely affected by the uncertain economic and financial market conditions experienced in the recent past. Such economic uncertainty may have a negative effect on the availability of financing for YIT as well as for YIT's customers, which may decrease the demand for YIT's products and services and thereby, could have an adverse effect on YIT's sales.

The demand for new housing units in Finland has focused more intensely on small and medium size apartments in urban growth centres, and this trend is expected to continue.¹ Based on preliminary data from Statistics Finland, construction of almost 41,000 dwellings began in 2020, and number of dwellings increased in 2020 by almost 7 per cent compared to 2019.² Banks' stringent lending terms, longer selling periods for used apartments and the general uncertainty over the economy may lengthen selling times and reduce demand for housing, especially outside growth centres. The outlook for building construction growth for different regions in Finland has also diverged, as demand for building construction has generally been weaker in the northern and eastern parts of the country and outside growth centres in general. Moreover, an increased supply and slowdown of population growth or depopulation may have a negative impact on the residential demand locally. Slowdown of the recovery of the Finnish economy, migration and indebtedness of public sector may cause the consumer purchasing power and the general confidence to decrease, which could have a negative impact on the housing

¹ Construction 2020–2021, Economic trends in construction, autumn 2020, 10 September 2020, Ministry of Finance.

² Official Statistics of Finland (OSF): Building and dwelling production [e-publication]. ISSN=1798-9590. December 2020. Helsinki: Statistics Finland [referred: 28.2.2021]. Access method: http://www.stat.fi/til/ras/2020/12/ras_2020_12_2021-02-23_tie_001_en.html

demand. As for non-residential construction, the vacancy rate for business premises in Finland is high due to slow economic growth, and demand for new business premises has remained low. Renovation services in Finland are driven particularly by the age structure of housing.³ Disruptions or significant changes in project financing and housing company loans (related to e.g. financial market, availability, accounting treatment, or other matters) can affect YIT's ability to finance construction-time costs and have indirect impacts on customer demand, especially in the consumer market. According to the latest Euroconstruct forecast, the volume of the non-residential construction will decrease by 7.8 per cent in 2021, but is expected to grow in 2022.⁴

The prolonged poor condition of public finances, both on the state and municipal level, may continue to limit spending on the construction of infrastructure and the related maintenance, which could diminish overall demand for these business areas in Finland. According to the latest Euroconstruct forecast, the volume of civil engineering will decrease by about 2 per cent per year in 2021 and 2022.⁵ Moreover, a proposal has been floated in Finland for the establishment of a state-owned company focusing on infrastructure construction, which could have an impact on the sector's competitive situation. In Finland, infrastructure construction has been supported by major infrastructure construction projects in urban growth centres and the overall construction market growth. Infrastructure construction market continued to grow in the first half of 2020. The Government's decisions regarding transport projects in the General Government Fiscal Plan as well as major cities' investments in infrastructure improve the outlook for infra projects. The condition of public finances is expected to continue worsen.⁶

Any decline in demand of housing construction or infrastructure construction, adverse economic conditions and any of the aforementioned changes may impact YIT's business in a number of ways. Such impacts may include a decrease in YIT's sales or difficulty in obtaining financing which in turn could affect YIT's profitability and financial condition. Adverse economic and financial conditions in Finland could have a material adverse effect on YIT's business, financial position, results of operations and prospects and thereby, on the Issuer's ability to fulfil its obligations.

The operating environment in Russia may include risks relating to legislative uncertainty, adverse business environment, development of the real estate market and sanctions against certain Russian individuals and entities and counter-sanctions as well as sanction policy which could have a material adverse effect on YIT, should they materialise.

The business and political risks in Russia are higher than in the other countries in which YIT operates, and the country's operating environment is generally more unstable. Uncertainty related to economic development of Russia in the long term, currency exchange rate fluctuations, volatility of the oil price, geopolitical tensions and inflation as well as Russia's legislation, its interpretations and official practices, as well as the uncertainty of interpretations and changes in the legal system, administrative proceedings and law-enforcement, could expose YIT to significant risks, which are described below.

The legislation in Russia may be deficient, contradictory or difficult to predict, and its enforcement may be rushed, poorly prepared or delayed. Local administrative proceedings concerning, among others, zoning, building permits, building supervision and the commissioning of properties may be burdensome and could result in permits not being issued or decisions not being implemented within the timeframe planned by YIT, in an expected manner or at all. Russian authorities also have extensive discretionary power when granting or revoking, for example, operating licenses, other licenses and building permits, carrying out tax audits and investigating business operations. This could lead to unexpected changes in interpretations, application procedures and requirements set for the projects by authorities. Even the terms and conditions of already concluded investment agreements might not hedge YIT against these risks, which could lead to a delay in or disruption of constructing, need for reprimands and additional costs, which in turn could have a material adverse effect on the marginal profits and timetables of projects implemented on the basis of such investment agreements.

Changes in regulation concerning residential transactions are expected to lead to increased volatility in supply and demand for apartments as well as changes in sales practices. Demand is expected to focus primarily on affordable apartments also in Russia. Changes in legislation, geopolitical tensions and other factors causing uncertainty in the Russian construction market may affect the demand for apartments due to weakening purchasing power and consumer confidence which in turn, together with oversupply of housing, may also have an adverse effect on the development of residential prices. Furthermore, the change in the federal law regulating the housing market in Russia that came into force during the summer 2019, requires that in new residential development projects the consumer payments for housing shall be made to escrow accounts instead of direct payments to the contractor. The funds will be released to the contractor from the escrow accounts upon completion of the project. This change had a negative impact of EUR 54 million on YIT's cash flow in 2020. YIT continues to be exposed to risks caused by changes in the federal law regulating the housing market in Russia as such changes may cause a disturbance in companies' monetary transactions and current contract models and increase capital employed. The role of banks in monitoring the federal law has been expanded and the incompleteness of the monitoring process may cause uncertainty which may have an adverse effect on YIT's operations.

³ Construction 2020–2021, Economic trends in construction, autumn 2020, 10 September 2020, Ministry of Finance.

⁴ EUROCONSTRUCT, November 2020 / 90th EUROCONSTRUCT Conference 23-24 November 2020, Munich, Germany.

⁵ EUROCONSTRUCT, November 2020 / 90th EUROCONSTRUCT Conference 23-24 November 2020, Munich, Germany.

⁶ Construction 2020–2021, Economic trends in construction, autumn 2020, 10 September 2020, Ministry of Finance.

Russian legislation and regulations based on regional legislation may be mutually inconsistent. There exists a risk that the decisions of regional or local administration could be amended or abolished at the federal level, or that regional legislation will have to be amended so as to comply with superior legislation. Moreover, decisions and interpretations made by authorities at different administrative levels or authorities with different administrative jurisdictions may be mutually contradictory. These political risks and changes in legislation could be unfavourable for YIT, for example, in situations where legislation would allow property to be confiscated directly, licenses and rights granted by administration to be unexpectedly revoked or currency exchange restrictions preventing repatriating profits or capital gains. Moreover, potential lawsuits could result in expenses, and if YIT cannot manage its confiscated assets while a dispute resolution process is pending, it could also cause losses and disruptions to YIT's business. Besides, the effective use of legal remedies is more uncertain and difficult than in some of the other markets in which YIT operates.

Additionally, YIT's operations in Russia may be affected by the sanctions imposed as at the date of this Registration Document or in the future by the EU, the United States, the United Kingdom or other members of the United Nations, or by the counter-sanctions imposed by Russia. The EU, the United States or other members of the United Nations may impose sanctions on certain private individuals or companies, or on transactions or activities in countries or regions that are material to YIT's business. Current or future sanctions imposed against Russia or Russian individuals and entities could lead to a further weakening of the Russian economy, which could have a negative effect on YIT's business in Russia. Although YIT aims to comply with the sanctions imposed against Russian individuals and entities using its best efforts, YIT cannot guarantee that it has the ability to comply with such sanctions or any new international sanctions imposed against Russia or Russian individuals and entities without taking material measures. Failure to comply with sanctions could lead to significant monetary penalties. Russia, on the other hand, may impose counter-sanctions on countries involved in imposing such sanctions or on foreign companies, which could make their business operations in Russia materially more difficult.

YIT announced in 2019 that it will close down certain of its operations in Russia in order to improve the profitability of its business in Russia. A realisation of any of the aforementioned risks could have a material adverse effect on the costs or profitability of YIT's operations in Russia, which could have a material adverse effect on YIT's business, financial position, results of operations, reputation and prospects and thereby, on the Issuer's ability to fulfil its obligations.

The operating environment in the central Eastern European markets contains political, economic and legal risks which, if realised, could have a material adverse effect on YIT.

YIT has operations in 10 countries, including certain markets in central Eastern Europe, such as the Baltic countries, Poland, the Czech Republic and Slovakia. The central Eastern European markets are exposed to higher political, economic and social uncertainty than countries with more developed institutional structures, as well as to a risk of losses due to changes in legislation, actions and interpretations taken by authorities, economic or social upheaval or other material factors. In central Eastern European countries, the markets of residential premises have grown, which, however, has started to show as a lack of production resources and increase in cost pressure. The availability of resources needed for the increased production volume might prevent increasing the production as planned. In the Baltic countries, demand for infrastructure construction and paving is largely linked to the availability of EU's project funding. Cuts in EU funding could thus have a material adverse effect on the market situation in the region. Additionally, political uncertainty and prolonged economic sanctions against certain Russian individuals and entities could have a material adverse effect on the confidence of consumers on the economy in the Baltic countries and thereby on demand of housing in the Baltic countries. This in turn could decrease the demand for YIT's products and services as well as its profitability.

The most significant risks to operations and investments in the central Eastern European markets are risks that relate to imposing export restrictions or restrictions on currency trading, inflation as well as changes in tax legislation and enforcement procedures and inconsistent legislative procedures, coupled with an unpredictable building permit process. This in turn could have a material adverse effect on housing production in the central Eastern European countries. Any decline in housing production in the central Eastern European countries could adversely affect the demand for YIT's products and services, and therefore result in decrease in YIT's sales. Operations in certain central Eastern European countries may also include a risk of expropriation and nationalisation of assets. YIT may fail to maintain close dialogue with authorities in order to ensure handovers and the processing of permits which could lead to delays in projects. This in turn could negatively impact YIT's invoicing, revenue, operative cash flow and profitability. Furthermore, the realisation of any of the above-mentioned risks could materially diminish or completely remove the benefits gained by YIT from operating in these markets which could have a material adverse effect on YIT's business, financial position, results of operations and prospects and thereby, on the Issuer's ability to fulfil its obligations.

Changes in the competitive situation in the Nordic infrastructure construction market could have a negative impact on YIT.

The growing infrastructure construction market in the Nordics has attracted several large construction companies from Central and Southern Europe and increased price competition and, especially in Sweden, competition for workforce. Some of YIT's competitors benefit from a larger size and stronger financial resources than YIT and as a result may be able to undertake larger-scale projects and take greater risks in their business compared to YIT. Competitors larger than YIT may

also have, among other things, better recognition and benefit from greater economies of scale than YIT, in addition to which larger size may serve as marketing advantage. It is also possible that new companies will enter the construction services market, which would further increase competition. YIT's failure to offer attractive solutions and competitive prices as well as recruit and retain skilled personnel in these markets could have a material adverse effect on YIT's ability to manage the ongoing projects, win new customers and maintain its competitiveness in respect of its employees on the one hand and its customers on the other. This, in turn, could have a material adverse effect on YIT's business, financial position, results of operations, reputation and prospects and thereby, on the Issuer's ability to fulfil its obligations.

Price competition may also have an adverse effect on YIT's business if the economic situation worsens. During an economic downturn or recession, the price level of construction services, either locally or for specific types of contracts, may fall so low that the price of the contract will not cover its total costs. It is also possible that YIT fails in estimating its costs when entering into project agreements, which may cause losses in profit.

Failure by YIT to increase or keep its volume of business operations or profit margin may have an adverse effect on YIT's business, financial condition, results of operations and prospects and thereby, on the Issuer's ability to fulfil its obligations.

Construction is a regulated industry, and changes in legislation concerning YIT's business operations as well as developments in case law may be unfavourable for YIT.

Construction is a regulated industry and the predictability of the legal operating environment is essential for YIT. Authorities, such as municipalities, have the jurisdiction to prepare plans for land use that steer construction companies' operations. Construction work may commence only after the necessary permits have been obtained from the authorities. In addition, the actual construction work entails cooperation with various authorities and inspections to be carried out by such authorities at different stages of construction. There are no guarantees that the authorities will grant YIT the permits it needs or that permit decisions, as a result of potential complaints, are not overturned or amended in a way that is unfavourable for YIT's business. Unfavourable administrative decisions or decisions made in any administrative court as well as prolonged permit procedures including hearing and complaint processes may make it more difficult to execute projects, delay their timetables or even result in their cancellation, or result in depreciations of the properties included in YIT's statement of financial position. These risks may have a material adverse effect on YIT's business, financial position and results of operations. For further information on risks relating to regulation and legal proceedings, see "*– The materialisation of risks related to regulation and legal proceedings as well as corporate governance could have a material adverse effect on YIT's business*" below. YIT is dependent on cooperation with the authorities whose jurisdiction includes duties relating to YIT's business. In particular, changes in legislation, official regulations or case law pertaining to land use and construction or changes in the interpretations of such provisions in an unfavourable manner for YIT, or a deterioration of YIT's reputation in the eyes of the authorities, or unfavourable official proceedings may slow down the progress of projects, have a negative impact on net debt, increase the need for equity or debt financing or prevent additional funding from being realised. Materialisation of any of the aforementioned risks could have a material adverse effect on YIT's business, financial position, results of operations, reputation and prospects and thereby, on the Issuer's ability to fulfil its obligations.

The construction sector is inflicted by a lack of competent personnel in some of YIT's operating areas.

The construction sector in Finland is inflicted by a lack of competent workforce, especially in the project management and planning positions and competition for skilful workforce is tough. Additionally, there is increasing competition for operative workforce in Finland. YIT has reacted on the lack of competent workforce by educating its current employees further to supervisors, employing approximately 800 summer trainees annually and transferring routine tasks done by professionals of the construction sector to professionals of other sectors. Despite this, there is no guarantee that YIT will be able to retain the necessary personnel and employees or be able to recruit new skilled personnel. Additionally, contractual parties set requirements for the competence and other qualifications of employees, for example Finnish language skills, due to of which the lack of workforce cannot always be compensated with foreign subcontractors. On the other hand, competent employees are not necessarily willing to move with projects to different places.

The availability of workforce in the Nordics has been affected especially by growing infrastructure construction market which has attracted several large construction companies from Central and Southern Europe to the markets and increased price competition as well as competition for workforce (for further information, see "*– Changes in the competitive situation in the Nordic infrastructure construction market could have a negative impact on YIT*" above). The lack of competent personnel in any YIT operating country may increase employment expenses, tighten the competition between the companies operating in the sector, reduce contractual profit margins, prevent from participating in contract tenders and complicate growth, and there are no guarantees that the measures of YIT to manage these risks are successful.

The lack of competent personnel, and the associated risks mentioned above, especially in Finland or other operating regions of YIT may have a material adverse effect on YIT's business, financial position, results of operations and prospects and thereby, on the Issuer's ability to fulfil its obligations.

Risks relating to YIT's Business Operations

YIT may not necessarily be able to maintain the profitability of its business due to failures in tendering processes, project management or preparation of project contracts.

The profitability of YIT's projects may be affected by several factors, such as competition in the tendering process or in the selling of apartments, efficient tendering process management, the size and complexity of projects, the projects' financing costs, the availability of skilled project managers and other key personnel, volatility in the raw material prices and general cost inflation, customers' potential requests for modifications and potential delays in project timetables.

YIT's results of operations is largely dependent on successful project management, which includes, for example, a reliable determination of overall costs that requires estimation of YIT's management, determination of quantity information and conditions, successful pricing, optimal use of resources, careful project planning and scheduling, the ability to procure raw materials at a competitive price, strict cost control, appropriate handling of modification requests and the execution of projects as agreed within the agreed timeframe, efficient and timely processing of compensation claims, as well as the management of sales risk in the Company's self-developed business. It is also possible that YIT fails in the preparation of project contracts, which may cause unexpected costs or other liabilities for YIT, for example, due to errors in timeframe estimates or unexpected construction stages or additional work. In addition, contractual terms limiting YIT's liability may be less effective than expected by YIT. It is also not possible to include comprehensive limitations of liability in all of the contracts YIT concludes, based on which individual contracts may include terms and conditions deviating from YIT's standard contract forms to the detriment of YIT. In addition, YIT's standard contract forms and general terms and conditions may be subject to project-specific changes required by YIT's individual customers, which exposes YIT to unforeseeable contractual risks. Such risks may result in YIT's profitability being heavily burdened by financial settlements regarding, for example, additional work. In 2020, YIT's Business premises' profitability was burdened by EUR 50 million due to financial settlements in certain challenging projects. Moreover, the unexpected interpretations of contractual terms by the customers may lead to claims or disputes that cause in turn unexpected costs or other liabilities for YIT.

YIT is responsible for a substantial number of projects in all of its countries of operation. All projects involve technical and operational risks, and projects require continuous operational planning, steering and supervision, quality control as well as timetable and cost monitoring. Managing several projects requires that YIT's project management processes are effective, so that several overlapping internal teams and subcontractor networks can be managed simultaneously in, for example, technical work, design and construction. Furthermore, major business premises and infrastructure project may account for a significant share of YIT's expected operating profit in the coming years, which means that successful project management in the projects is integral.

Failures in project management or the preparation of project contracts in the aforementioned areas, for example, could have a material adverse effect on the profitability of projects and the time the gained revenue will be recorded. This could have a material adverse effect on YIT's business, financial position, results of operations, reputation and prospects and thereby, on the Issuer's ability to fulfil its obligations.

Projects could be delayed, their scope could change during the construction stage or they could be cancelled for reasons beyond YIT's control.

A part of YIT's business is based on projects in which YIT does not act as the developer and thus cannot influence on the decisions of the party ordering the construction work. Therefore, YIT is exposed to risks relating to project delays, changes in the scope of projects once the work has already started, disputes concerning the way how additional work and modifications are performed as well as costs or cancellation of projects. Should such risks materialise, it could lead to, for example, unrealised expected earnings, incorrect allocation of resources, exceeding of the budget and prolonged negotiations, disputes and processes for claims.

Delays in projects could impact YIT's invoicing, revenue, operative cash flow and profitability. The project projections on which YIT's financial reporting is based are estimates of the outcome of projects, which can pose a risk if the projection deviates significantly from the final outcome.

Project changes, delays or cancellations and their resulting impacts on the projects' profitability or delays in related income recognition could thus have a material adverse effect on YIT's business, financial position, results of operations and prospects and thereby, on the Issuer's ability to fulfil its obligations.

YIT is exposed to the sales and price risks of self-developed residential and business premises construction and may fail in acquiring of building plots.

Part of YIT's operations is implemented through self-developed projects. In construction projects concerning self-developed residential and business premises, YIT is solely responsible for the execution of the projects and the procurement and development of the plots. Plots are acquired from both the public and the private sector. Housing and business premises projects involve risks related to the acquisition, availability and geographical location of plots, the outcome of zoning,

approvals by the authorities, infrastructure connections, environmental regulations, the management of capital and financing expenses, terms of payment, the contractual terms of plot acquisitions and other contract terms, as well as YIT's ability to sell the apartments and business premises. The efficiency of land acquisition and sufficiency of building rights may expose YIT to risks due to uncertainties outside the project, such as changes in legislation, construction-related requirements and other regulations and interpretations by the authorities as well as general market development. In line with the IFRS requirements, YIT measures its land reserves at acquisition cost. The value of the land is reduced, if the fair value of the planned project does not exceed the sum of the acquisition cost and the construction costs. Additionally, if YIT plans to sell the plot instead of developing it, the acquisition cost of the plot is compared to the fair value of the plot, which could be lower than the acquisition cost resulting in a loss to YIT. In addition, some of the self-developed projects are built on plots owned by building plot funds, in which case YIT pays the funds rent for the plots and becomes exposed to risks related to long-term contractual liabilities. There are also no guarantees that YIT will, in the future, be able to acquire suitable sites for projects relating to repurposing of premises and to execute such projects according to its plans. YIT may also fail to predict demand, manage project efficiently and conduct careful due diligence, which exposes YIT to the risk relating to plot acquisitions. If any of the aforementioned risks were to materialise, it could have a material adverse effect on YIT's business, financial position, results of operations and prospects and thereby, on the Issuer's ability to fulfil its obligations.

YIT is also exposed to the sales, leasing and price risks related to self-developed residential and business premises construction projects. Demand for housing and business premises projects is materially affected by factors such as the financing available for the customer and its cost. If the banking regulation were to become stricter or the interest rates were to rise, it could have a negative effect on the demand for housing and business premises projects. In addition, plot procurement agreements concluded with the state or municipalities may in some cases also include clauses obligating YIT to complete construction on the procured plot within a certain time period, regardless of the demand and pricing situation, in which case YIT's exposure to the demand and price risk is increased.

The planning stage for YIT's self-developed construction projects normally lasts 1–2 years from the time a plot is acquired, and the construction stage itself lasts 1–2 years. Therefore, YIT is usually exposed to the market risk related to the demand and the prices of apartments for a period of 2–4 years. Although new self-developed residential projects are only started if the site has a sufficient reservation rate or otherwise secured demand, the sales of unreserved apartments within the planned timeframe may be challenging. The existing reservation rates or demand are no guarantees of purchasers being able to meet the terms of their commitment. These risks are especially enhanced in weak market situation. Any delays in selling apartments cause further delays in the revenue recognition, which, in turn, has an impact on YIT's result. Unsold apartments tie up capital, which may have an unfavourable effect on YIT's financing position. YIT may also be forced to reduce the selling prices of apartments, which has a negative impact on its results of operations.

In the business premises market, cyclical fluctuations in the economy and economic development have a profound impact on the market as well as the demand for business premises. Tenants' (including anchor tenants) reputation, expected turnover rate and ability to pay rent, as well as the occupancy rate and rent level of leased sites, have an effect on property investors' cash flow outlook. Together these factors affect property investors' willingness to invest in new projects. New self-developed business premises projects are only started if the site has a sufficient occupancy rate or otherwise secured demand, which means projects are not started especially during weak market conditions. Self-developed business premises projects are ordinarily sold to property investors by the initial stages of construction, at the latest. However, not even projects in which buyers have reserved business premises in advance are risk-free, as some of the buyers may not be able to fulfil their commitments, especially in an unstable economic situation. The prices of real estate are affected by changes in investors' yield requirements for real estate investments. Any increase in yield requirements decreases sales value of the real estate. In addition, better yields of alternative investments could lead to decrease in investor demand.

Potential inability of YIT to sell or lease apartments or self-developed business premises projects, an increase in the customers' financing costs, problems with the procurement of plots, and depreciation of the value of plots or other property could have a material adverse effect on YIT's business, financial position, results of operations and prospects and thereby, on the Issuer's ability to fulfil its obligations.

The fair value of YIT's real estate properties and other owned assets may fluctuate, and/or YIT may not be able to sell properties at a financially reasonable price or at all.

The fair value and market prices of real estate properties are affected by many factors, such as general and local economic conditions, interest rates, inflation expectations, GDP growth, private consumption, market rent, vacancy rates, real estate investors' return requirements and competition. In addition, urban planning and construction projects could have an impact on property values. The valuation of properties is based on assumptions that could prove incorrect, such as assumption on the future development of the real estate market, market return requirements and market rent. Any incorrect assumptions used as a basis for estimates or incomplete estimates could lead to valuations that differ materially from a property's market value which could lead to write-downs of property values or to the postponement of revenue and profit from one quarter or year to another and thereby, have a negative impact on YIT's profitability. This in turn could have a material adverse effect on YIT's business, financial position, results of operations and prospects and thereby, on the Issuer's ability to fulfil

its obligations.

Many factors affect the market value of properties held for sale, such as general economic conditions, interest rates, inflation expectations, investors' return requirements and the competitive situation. The sale of properties that are considered secondary in the market could also prove to be difficult for YIT. There are no guarantees that YIT will be able to execute property sales at acceptable prices in the future, or at prices that exceed the fair value of similar properties of YIT. The postponement of the sale of real estate assets or their sale at a loss could impact YIT's ability to refinance certain financing arrangements in accordance with plans. In addition to the properties, the aforementioned factors could affect the value of other assets owned by YIT, such as infrastructure assets (e.g. shares in road companies). The postponement of the sale of real estate assets or their sale at a loss could also slow down YIT's planned growth, which could have a material adverse effect on YIT's business, financial position, results of operations and prospects and thereby, on the Issuer's ability to fulfil its obligations.

YIT may not necessarily be able to execute its strategy or adapt it to changes in the operating environment, or the chosen or executed strategy may be wrong, which may have an adverse effect of YIT's profitability in the future.

Sustainable urban development is the core of YIT's strategy. YIT's target is to improve profitability and capital efficiency. To achieve this target, the Company continues to strengthen its residential plot reserve by focusing on capital regions and other strongest growth centres. YIT also utilises its capabilities in project development and focuses on self-developed and knowledge-based projects. In property investments, strong partnerships and co-operation models enable implementing large urban projects with controlled capital use and a lower risk level. For further information on YIT's strategy, see "*Description of YIT – Strategy*".

Successful execution of YIT's strategy depends on several factors, of which some are at least partially beyond the control of YIT. YIT may not necessarily be able to successfully execute its strategy in its main markets and achieve its financial targets due to the market situation or a failure in the management of YIT. There are also no guarantees that the strategy chosen by YIT is the right one. There can be no certainty that the strategy chosen by YIT will be effective and profitable, or that it will improve YIT's results of operations. The execution of the strategy may also cause increased costs and consume more management's resources and time than anticipated.

Costs related to pursuing a strategy or a changed or amended strategy or any failure in executing, changing or amending YIT's strategy, or a failure of the strategy itself or the changed or amended strategy, could have a material adverse effect on YIT's business, financial position, results of operations and prospects and thereby, on the Issuer's ability to fulfil its obligations.

YIT may not necessarily succeed in developing its services or solutions in a manner corresponding to that of its competitors, or YIT may be forced to make additional investments as a result of digitalisation.

YIT's market position is dependent on the continuous development of services, solutions and production methods and processes, as well as long-term customer relationships. YIT's future growth and success will depend on its continued ability to identify and respond to changes in consumer, investor, public sector and industrial sector behaviour and demand, develop its production and production processes, improve its operational efficiency, reduce production costs and introduce new and improved services or solutions to the market in a timely manner in all of its key business operations using its existing or new production methods and processes. YIT's future growth and success depends also on its continuous ability to produce and market services and solutions in changing markets.

The construction sector is competitive, and during the last few years, particularly in Finland, the sector has been introduced with new actors, which could provide markets with new operating models and products. If the current competitors or new players in the field succeed in developing their production processes or the services and solutions they offer thus gaining an innovative and competitive advantage, and YIT fails to respond to this or, if the competitors can utilise, for example, the opportunities of digitalisation better than YIT, it could negatively impact the demand for YIT's products and services, and thereby result in decrease in YIT's sales. This in turn could have a material adverse effect on YIT's business, financial position and results of operations.

There can be no assurance that YIT will be successful in continuing to meet its customers' needs and developing new services or solutions in a manner that will be accepted by its customers. YIT may not be able to recover investments it has made in the development of new services or solutions, and it may not possess the sufficient resources to keep pace with the productivity improvement made possible by, for example, digitalisation. Furthermore, YIT may not necessarily meet its customers' or investors' changing demands related to climate change (for further information, see "*– YIT may not necessarily be able to meet its customers' or other stakeholders' expectations or to comply with legal and regulatory requirements related to climate change which could have a material adverse effect on YIT's business and brand value*" below). A failure by YIT to remain competitive in the market by exploiting developing digitalisation, predicting customer behaviour sufficiently and developing its business operations and improving operational efficiency may lead to the decrease in YIT's order backlog or in a situation in which YIT's costs are higher than those of the competitors leading to lower margins, which may in turn negatively impact YIT's profitability. Realisation of any of the aforementioned risks could

have a material adverse effect on YIT's business, financial position, results of operations, reputation and prospects and thereby, on the Issuer's ability to fulfil its obligations.

Individual construction projects can be very extensive and thus have a significant effect on the profitability of YIT's business.

YIT is the largest Finnish⁷ and a significant North European urban developer and construction company and is involved in the implementation of very large and complex projects from time to time. At the core of its business model is a continuous flow of development projects that covers design, construction, ownership and service delivery. Large development projects and construction contracts involve the same risks as smaller projects, but the risks can be remarkably extensive and they might concentrate, since the uncertainty over the outcome and liabilities of a project, as well as public interest, will grow along with the size of a project. Larger projects also involve a risk of increased monetary liabilities if a project is delayed or otherwise fails due to factors caused by YIT or which are beyond its sphere of influence. There is no assurance that tenants, investors and buyers are able to fulfil their commitments to YIT, especially in case of deterioration of economic development. In addition, the settlement of such liabilities in the last instance through official or legal means may be significantly more expensive than in smaller projects. Large development projects and construction contracts may also involve additional risks due to, among others, the complexity of design and construction, the influence of major stakeholders on the project, the availability of essential resources and financing, and safety and environmental factors.

The prices of real estate are affected by changes in market yields. Any increase in investors' yield requirements would decrease the sales value of YIT's development projects, and thereby adversely affect YIT's profitability. The profitability of a single major project may have a significant impact on YIT's profitability, and performance disruptions in such a project could result in substantial liabilities or costs.

Should YIT face problems in its major development projects or construction contracts caused by, for example, inadequate project management, or if such projects are delayed or cancelled, the materialisation of these and other aforementioned risks could have a material adverse effect on YIT's business, financial position, results of operations, reputation and prospects and thereby, on the Issuer's ability to fulfil its obligations.

YIT is dependent on its subcontractors and suppliers of materials and other products, as well as the quality of the materials and work delivered by them and the delivery time, and YIT may be held liable for faults caused by subcontractors.

YIT is dependent on the suppliers of products and services needed for the execution of projects, especially in the infrastructure and building construction business. The subcontractor risk is especially emphasised in operating regions with a lower level of development, i.e. Russia, the Baltic countries and central Eastern Europe. Key suppliers consist of designers, subcontractors and suppliers of prefabricated building elements and construction materials as well as suppliers of certain raw materials. The construction industry may occasionally experience shortages of materials or skilled subcontractors, especially during periods of vigorous economic growth and high demand for construction services. Additionally, due to its use of subcontractors and material suppliers, YIT is exposed to risks related to the operations and financial position of such companies and risks of having business relations with such parties. YIT may not, for example, be able to conclude contracts with subcontractors and material suppliers under acceptable terms. Further, the quality, timing and cost-efficiency of the work performed, or the quality and delivery times of the materials delivered by these operators may be inadequate and could lead to defects and faults. Furthermore, YIT may fail to actively co-operate with its various stakeholders to develop alternative building materials in order to comply with changes in laws and regulations and to meet its stakeholders' expectations related to climate change (for further information, see “– YIT may not necessarily be able to meet its customers' or other stakeholders' expectations or to comply with legal and regulatory requirements related to climate change which could have a material adverse effect on YIT's business and brand value” below).

As a result of the execution of the merger between YIT and Lemminkäinen Plc (“**Lemminkäinen**”), which was completed on 1 February 2018, all assets, debts and liabilities of Lemminkäinen, including on-going litigations, were transferred to YIT. For example, a possible quality issue has arisen in connection with one of Lemminkäinen's constructing projects concerning ready-mixed-concrete, which is supplied by an external entity and which does not entirely meet the applicable strength conditions (for further information, see “*Description of YIT – Legal proceedings*”). The possibility of similar cases to occur on YIT's construction projects cannot be excluded. It is also possible that the subcontractors and material suppliers face financial or other difficulties or problems related to, for example, the availability of labour, which could hamper their ability to deliver their products and services.

YIT may also be held liable for any defects or faults caused by its subcontractors even if YIT had fulfilled all its obligations concerning the supervision of work performed by subcontractors or their personnel. As a result, YIT may be claimed compensation for defects or faults in design, procurement and the quality of work that are detected during the liability period. Moreover, in building construction, especially in housing construction, a subcontractor's warranty liability towards

⁷ Measured by revenue and number of employees in 2019 based on the Rakennuslehti website, which contains the performance data of Finland's largest construction and real estate companies. Available at <https://www.rakennuslehti.fi/suurimmat/>. Referred on 10 March 2021.

the main contractor, for example YIT, is usually shorter than the main contractor's warranty liability. There is a statutory 10-year liability for builders towards their customers in housing construction in Finland, which means that YIT could be held liable for errors committed by its subcontractors. Furthermore, it is possible that a subcontractor is financially unable to compensate for its errors or otherwise contests the claim regarding its liability, in which case it cannot be ruled out that YIT will not receive any compensation from a subcontractor, even if the division of the liability for damages would have been comprehensively agreed between such a subcontractor and YIT.

Problems faced by subcontractors, such as their financial or production-related problems, could have a material adverse effect on YIT's business. Additionally, YIT may not necessarily be able to find alternative subcontractors without delay to replace some of its subcontractors, or YIT may be forced to use a subcontractor of whose performance it does not possess prior experience. YIT may also become liable for damages for an accident at work suffered by a subcontractor if it occurs on YIT's construction site (for further information, see "*– YIT is exposed to errors and misconducts committed by its own or its subcontractors' employees, and YIT could be held liable for its subcontractors' work performance*" below).

Possible errors or faults committed by subcontractors, their non-compliance with quality standards or delays or faults in the delivery of materials and other products as well as other aforementioned risks related to subcontractors could have a material adverse effect on YIT's business, financial position, results of operations, reputation and prospects and thereby, on the Issuer's ability to fulfil its obligations.

YIT is exposed to errors and misconducts committed by its own or its subcontractors' employees, and YIT could be held liable for its subcontractors' work performance.

Construction projects include technical and operational risks, and the projects require continuous management of project plans, steering of the planning and implementation processes, quality control plans and supervision of implementation. YIT may also be liable for risks relating to subcontractors in terms of their compliance with their obligations, the quality of their work and them adhering to timetables, in addition to which costs may arise from additional work and modifications performed by subcontractors.

In addition to YIT's own employees, a certain number of subcontractors work on the company's construction sites on behalf of YIT. Due to human errors committed by YIT's employees or subcontractors, projects under construction could suffer sudden and unforeseen damages, such as fires, water damage or other damages, that could result in unforeseen expenses for YIT. An employee or subcontractor of YIT may also act against applicable laws, recommendations or YIT's guidance or its ethical and other operating principles, misuse or leak confidential information or otherwise abuse his or her position in YIT for dishonest or criminal ends. YIT's internal supervision practices and procedures may not provide sufficient protection from misconduct by its personnel or the personnel of its subcontractors, or from the abuse of confidential information or one's position. YIT has focused on avoiding bad recruitments, to guiding and supervising employees and subcontractors, and making the necessary corrective measures when needed. However, YIT is exposed to its employees' and subcontractors' errors and misconducts, which could lead to significant liabilities and costs for YIT. There is also a risk that YIT's insurance coverage does not cover such liabilities and costs. Furthermore, as the mobility of labour within the EU has grown and the volume of labour from outside the EU has increased, the use of foreign labour can involve risks related to, among other things, labour and human rights (for further information, see "*– The materialisation of risks related to regulation and legal proceedings as well as corporate governance could have a material adverse effect on YIT's business*" below). Matters relating to responsibility subcontracting may involve risks and a significant negative impact on YIT's reputation which in turn can lead to decrease in sales and thereby, negatively affect YIT's results of operations.

The Finnish legislation concerning contractor's liability requires that the company that concludes a contract concerning work to be performed by leased labour or subcontractors must ensure that its subcontractors comply with their statutory obligations. Hence, when YIT uses a subcontractor or leased labour, it must make sure before signing the agreement that its contractual partner has been registered with the appropriate tax registers, paid its taxes and duly observed its obligations as an employer. In this context, the information must also be obtained concerning foreign companies. Deficiencies in these check-ups or failure to perform them altogether could lead to a penalty for negligence. Moreover, the construction industry applies reverse VAT liability, which places additional requirements to the management of subcontracting. While operating in countries other than Finland, YIT must comply with the requirements and obligations imposed by such country's legislation and regulations concerning contracting. If the subcontractors used by YIT do not comply with the applicable laws and regulations, YIT will also be exposed to a reputational risk which, in turn, may have a negative impact on the demand for YIT's products and services.

If any of the aforementioned risks materialises, it could have a material adverse effect on YIT's business, financial position, results of operations, reputation and prospects and thereby, on the Issuer's ability to fulfil its obligations.

YIT may face a larger liability than expected for its deliveries and life-cycle projects as well as significant warranty-period liabilities.

YIT has striven, as possible, to employ contract clauses that limit contractual liability, but such clauses may be less effective

than anticipated. In addition, it has not been possible to include comprehensive limitations of liability in all of the contracts YIT has concluded, due to which individual contracts may include terms and conditions deviating from their standard contract forms to the detriment of YIT. YIT's contractual liabilities vary in accordance with different contract and agreement models. The liabilities and the risks arising from them are particularly emphasised in projects in which YIT has also been responsible for planning.

YIT may face liabilities due to, among others, the warranty obligations of long-term contracts or life-cycle projects, delays in agreed contracts or violations of other binding agreements of YIT. Such liabilities may arise regardless of YIT and be due to events or actors beyond YIT's control. The amount and extent of the liabilities of YIT have not necessarily always been assessed and limited effectively, and the efficiency of such contractual limitations on liabilities is uncertain. A potential realisation of liability may have a negative effect on the customer relationships behind the agreements or result in significant monetary costs or losses of profit. In addition, determining the responsibility and negotiating for it may take a considerable amount of time and attention. YIT may also fail to engage necessary legal expertise in the preparation of the new agreements in line with the valid guidelines and decision-making authorisation system.

Additional work and alterations during the project in proportion to the original package may expose YIT to risks related to payment obligation, especially in target price or price ceiling contracts. Project receivables may then contain invoicing of additional work and alterations conducted which may result in complaints and disputes over the payment obligation. YIT makes provisions to the projects based on various estimates, but they may prove to be insufficient, which could result in a decrease of revenue. Matters related to payment obligation may lead to legal proceedings initiated by YIT against the customer or other partner. The outcomes of such legal proceedings involve uncertainties and may negatively impact YIT's reputation and customer relationships.

If any of the risks related to contractual liabilities were to materialise, it could have a material adverse effect on YIT's business, financial position, results of operations and prospects and thereby, on the Issuer's ability to fulfil its obligations.

YIT may not necessarily be able to meet its customers' or other stakeholders' expectations or to comply with legal and regulatory requirements related to climate change which could have a material adverse effect on YIT's business and brand value.

YIT is exposed to risks related to climate change. Increasing adoption of climate change related legislation, as well as changes in investor demand or customer demand related to climate change may impair YIT's operational prerequisites. YIT may not be able to meet sustainability criteria set by its customers or other stakeholders, or to reach statutory or voluntary sustainability certifications for its production and operations. Aforementioned risks could have a negative impact on YIT's brand and reputation and decrease the demand for YIT's products and services among customers and investors, and thereby lead to decrease in YIT's sales.

Furthermore, increasing cost of non-renewable energy and costs related to carbon dioxide emissions can create pressure in the supply chain with the construction industry having to move to alternative building materials and find ways to minimise waste. There is no guarantee that YIT manages to actively co-operate with various stakeholders to develop alternative building materials in order to comply with changes in laws and regulations and to meet its stakeholders' expectations. Moreover, compliance with legal and regulatory requirements may incur additional costs to YIT. In addition, extreme weather conditions related to climate change, such as considerably higher annual rainfall, may result in increased costs or delayed production processes (for further information, see “– *Variations in weather conditions could have an impact on the progress and volume of YIT's projects*” below).

There is no guarantee that YIT manages to assess the climate risks and impacts, take proactive actions and set ambitious goals to develop its operations in a sustainable and climate-friendly direction in order to comply with changes in laws and regulations and to meet its various stakeholders' demands and expectations. If YIT fails to meet customer expectations or to comply with legal and regulatory requirements related to climate change, this could, among other things, reduce YIT's sales and impair its brand value, which in turn could have a material adverse effect on YIT's business, financial position, results of operations, reputation and prospects and thereby, on the Issuer's ability to fulfil its obligations.

Changes in the business premises requirements of YIT's customers and in the operating environment of the consumer business as well as in the demand for housing could have a material adverse effect on demand for new business premises and business premises construction.

Electronic commerce is becoming more and more important for companies that operate in the consumer business. A part of YIT's customers may transfer their consumer businesses fully or partially online, which could reduce customers' needs for new business premises and have a material adverse effect on the demand for commercial properties. In addition, the proliferation of open-plan offices and distance working may reduce demand for office premises. Moreover, changes in customer preferences and in competitor's offering pose risks related to the demand for the Company's products and services. In addition, YIT may not be able to meet its customers' and other stakeholders' expectations related to climate change (for further information, see “– *YIT may not necessarily be able to meet its customers' or other stakeholders' expectations or to comply with legal and regulatory requirements related to climate change which could have a material*

adverse effect on YIT's business and brand value" below).

Several factors, such as the confidence of consumers in the general economic situation, the availability of financing and mortgages, interest rates and negative development of purchasing power may weaken the demand for housing, and thereby for YIT's products and services. Also, adverse changes in mortgage interest rates may negatively impact the housing market, in addition to which the access to consumer mortgages is expected to be delayed, which may in turn have an adverse effect on YIT's order book and revenue.

A decline in demand for new business premises and construction of business premises as well as consumer housing could have a material adverse effect on YIT's business, financial position, results of operations and prospects and thereby, on the Issuer's ability to fulfil its obligations.

Maintaining the national security of supply and crisis construction could have a material adverse effect on YIT's business, financial position and prospects.

In an economic, humanitarian or military crisis, YIT could be subjected to important obligations with regard to maintaining the national security of supply, for example, in crisis construction especially in Finland. Such obligations could materially hinder YIT's business operations, which could lead to disturbances in performance in YIT's ongoing projects, and on the other hand, weaken YIT's ability and opportunity to carry out its business operations in line with its strategy. Moreover, if such crises are prolonged, it could also prolong the security of supply obligations, which could further increase the aforementioned risks in YIT's business. Obligations relating to the national security of supply, such as crisis construction, could have a material adverse effect on YIT's business, financial position and prospects and thereby, on the Issuer's ability to fulfil its obligations.

YIT's operating capability is dependent on ICT infrastructure, as well as management, reporting and monitoring systems, that could become damaged due to external or internal factors.

Effective implementation of YIT's business is dependent on YIT's IT infrastructure, software and external ICT service providers, especially with regard to management, reporting and monitoring systems and the information they generate. The systems used by YIT have been developed and updated in recent years. The development and updating of the systems aims at improving their operational reliability and the accuracy of generated information. However, the updates already applied or possibly to be applied in the future can, in practice, increase short-term uncertainties related to the systems' use. Moreover, the systems used by YIT may be exposed to operational interruptions or disturbances, information saved in the systems may be lost or the information generated by the systems may prove incorrect or incomplete as a result of, for example, system updates, power cuts, data security breaches, human error, accidents or natural disasters. For information on cyber risks, see "*– YIT may fail in identifying, resourcing and managing information and cyber security risks and in complying with regulations*" below.

Difficulties in maintaining, updating, integrating or outsourcing ICT and data processing systems and problems with the quality or information security of services and data could have an adverse effect on YIT's business and administration and incur additional costs. Such difficulties may also negatively impact YIT's reputation which in turn may be reflected in demand for YIT's products and services. Furthermore, disruptions of the prerequisites for YIT's operations may lead to delays in projects. E.g. at the moment YIT is updating and changing its key accounting system, which could lead to the aforementioned risks materialising. A failure in the maintenance of management, reporting and monitoring systems that are essential to YIT and the ICT infrastructure required by its operations could have a material adverse effect on YIT's business, financial position, results of operations, reputation and prospects and thereby, on the Issuer's ability to fulfil its obligations.

The materialisation of risks related to consortiums and alliance projects could have a material adverse effect on YIT.

In addition to self-developed projects, YIT may be a party in consortiums and alliance projects in which it does not have independent control. Currently, YIT is a party to various alliance projects in Finland, for instance, the Lapland Central Hospital and the Tampere tram network. YIT's ability to withdraw funds from the fees received by a consortium and capacity to undertake measures that are deemed necessary could be dependent on the consent of the other parties to the consortium. Disputes between the business partners or other typical risks related to consortiums and alliance projects could have a material adverse effect on YIT's business, financial position, results of operations, reputation and prospects and thereby, on the Issuer's ability to fulfil its obligations. These risks may involve, among others, any possible joint, individual or secondary liabilities for the consortiums' projects or business operations, the difficulty of maintaining consistent processes and procedures, or termination of the consortium by a business partner.

Disturbances in YIT's business could have a material adverse effect on YIT.

Operational risks in YIT's business are related to the functioning of internal processes or systems, the legal operating environment, the functioning of YIT's management and IT systems and YIT's ability to retain expert employees at its service. In addition, YIT is exposed to operational risks posed by the external operating environment, such as disturbances

to the distribution of electricity or water, breakage of its equipment, fires and water damage, potential disturbances to payment transactions, for example, in Russia and other disturbances. Operational risks and the resulting losses could be due to inadequate internal processes and inconsistent procedures within YIT, errors committed by employees or subcontractors, the inability to comply with legislative requirements or YIT's internal guidelines, faults in equipment or disturbances to information systems or external systems, as well as natural catastrophes.

YIT has undertaken measures to manage operational risks and to mitigate any losses arising from them. However, there are no guarantees that such measures will be sufficient to manage all the operational risks to which YIT will be exposed. Significant disruptions in the prerequisites for YIT's operations may lead to disruptions in YIT's business, delays in projects, incur additional costs and harm YIT's reputation which could in turn negatively impact YIT's profitability. If any of the aforementioned risks or any other operational risk materialises, it could have, either severally or jointly with other risks, a material adverse effect on YIT's business, financial position, results of operations, reputation and prospects and thereby, on the Issuer's ability to fulfil its obligations.

Failure to meet customer and stakeholder expectations or to comply with product requirements and standards could have a material adverse effect on YIT's business and brand value and expose it to compensation claims.

YIT's solutions and services are designed to meet customer expectations in terms of standards and quality, as well as comply with applicable laws and regulations. However, there are no guarantees that YIT's solutions and services will meet all of the aforementioned expectations and/or requirements in all circumstances or within the agreed timeframe. In addition, YIT may not be able to meet its customers' and other stakeholders' expectations related to climate change (for further information, see "*– YIT may not necessarily be able to meet its customers' or other stakeholders' expectations or to comply with legal and regulatory requirements related to climate change which could have a material adverse effect on YIT's business and brand value*" above). YIT's insurance coverage may not necessarily be sufficient to cover all potential liabilities related to YIT's solutions and services. Therefore, insurance may not necessarily cover, fully or at all, major claims or a series of smaller claims, for damages related to YIT's solutions or services or advice given to the customers in connection with solutions and services. This could have a material adverse effect on YIT's business, result, financial position and results of operations. YIT may be claimed for damages if it delivers faulty solutions or services. In addition, YIT could be liable to repair, either as a warranty work or otherwise, flaws or deficiencies detected in projects even after the warranty period has expired, and in residential construction generally even for a period of ten years, and in life-cycle projects for even a longer period. If YIT were required to pay damages relating to its agreements or repair errors or deficiencies for which it has not prepared by subcontractor liabilities, it could have a material adverse effect on YIT's business, financial position, results of operations and prospects and thereby, on the Issuer's ability to fulfil its obligations.

If YIT fails to meet customer expectations or to comply with legal and regulatory requirements, this could, among other things, reduce YIT's sales and impair its brand value or lead to a liability to pay damages, which in turn could have a material adverse effect on YIT's business, financial position, results of operations, reputation and prospects and thereby, on the Issuer's ability to fulfil its obligations.

Failure in the recruitment of competent management or personnel or loss of key personnel could have a material adverse effect on YIT's ability to carry out its operations or expand.

YIT's success is dependent, among other things, on its top management, project management and other personnel, as well as YIT's ability to recruit, develop, train, motivate and retain competent personnel who have relevant qualifications. YIT may face difficulties in attracting top professionals for key management and project management positions, including a risk of losing its key personnel to its competitors particularly in the markets where YIT is not a well-known employer. YIT also faces the risk of an aging workforce. Furthermore, YIT is subject to the risk of employees, including senior management and other key employees, leaving due to corporate transactions, such as corporate acquisitions. Changes in the scope of business operations may consume key employees' time and cause uncertainty among the personnel, such as completing the integration of YIT and Lemminkäinen, the sale of Nordic paving and mineral aggregates businesses and arrangements in Russia to close down certain operations. YIT may fail to commit personnel in business change situations and competitors may be active in attempting to recruit YIT's personnel, which may in turn have an impact on the Company's financial performance.

The profitability of large projects, in particular, is mainly dependent on the input of project management and experts on all levels. Potential difficulties faced by YIT in attracting competent personnel or the loss of key personnel could thus impact the profitability of projects, addition to which YIT may not be able to win customer relationships or even make offers for the possible projects, if competent personnel is not sufficiently available. The lack of personnel with the applicable competence and experience in key and project management positions could also increase liability risks and affect YIT's ability to grow in some of its operating areas (for further information, see "*– The construction sector is inflicted by a lack of competent personnel in some of YIT's operating areas*" above). The realisation of risks relating to the recruitment of personnel and the retaining of top management and key personnel could lead to higher operating expenses, losses of customer relationships and profits, loss of know-how, damage to reputation and potential liabilities which, in turn, could have a material adverse effect on YIT's business, financial position, results of operations and prospects and thereby, on the

Issuer's ability to fulfil its obligations.

YIT is exposed to risks relating to the costs of professionally skilled labour and the results of collective labour negotiations, as well as to potential work stoppages due to labour market disputes or organisational changes.

YIT's business is labour-intensive, and the general wage level in the construction industry and the cost of employing competent key personnel in the countries where YIT operates have a significant impact on YIT's profitability. In the construction industry, changes in labour costs have a significant effect, as labour costs represent a material part of operating expenses, either through direct costs of labour or through subcontractors' labour costs. When YIT outsources labour-intensive parts of a project to subcontractors, labour costs are reflected in the contract price paid by YIT to the subcontractor (for further information, see “– *The construction sector is inflicted by a lack of competent personnel in some of YIT's operating areas*” above).

The materialisation of risks related to the costs of skilled labour could lead to an increase in operating expenses. In 2020, YIT's personnel expenses totalled EUR 372 million. In many of YIT's operating countries, e.g. in Finland, the wage level of a large number of employees in YIT is determined on the basis of collective bargaining agreements signed by trade unions and employer organisations. Organisations representing YIT and other employers may not necessarily be able to renegotiate satisfactory collective bargaining agreements when they expire, which could lead to, among others, increased labour costs. Any price increase due to rising costs could affect the demand for YIT's solutions and services, which in turn could have a material adverse effect on YIT's business, financial position, results of operations and prospects and thereby, on the Issuer's ability to fulfil its obligations.

Companies operating in the construction sector may face strikes or other industrial actions, and also YIT may face unexpected strikes and other industrial actions, or its business may otherwise become exposed to industrial actions (such as strikes against YIT's subcontractors). Strikes and other industrial actions may lead to significant disruptions in YIT's business operations or an interruption of its business. YIT's existing collective bargaining agreements may not necessarily prevent strikes and work stoppages at its business locations, and such strikes, work stoppages or other industrial actions could have a material adverse effect on YIT's business, results of operations and financial position.

YIT believes that it has good relations with its employees and the trade unions representing them. However, there can be no assurance that the future development of YIT's business will not impact these relations and that no strikes or work stoppages will take place on its construction sites in the future. Moreover, labour disputes in the transportation industry could prevent the delivery of the products and raw materials needed by YIT, and labour disputes affecting YIT's key suppliers could have a material adverse effect on YIT's business. A prolonged labour dispute that leads to a material interruption in the overall business of YIT, increased labour costs or adverse changes to the present terms of collective bargaining agreements could have a material adverse effect on YIT's business, financial position, reputation and results of operations and thereby, on the Issuer's ability to fulfil its obligations.

YIT is a party to associated companies and joint ventures which are subject to risks relating to, among other, disagreements regarding decision making and business operating, as well as distribution of liabilities among other parties.

YIT is a party to associated companies and joint ventures and may also in the future become a party to associated companies and joint ventures through of which significant construction projects are also implemented. YIT had investment commitments concerning associated companies and joint ventures in total of EUR 46 million as at 31 December 2020.

Operating through associated companies and joint ventures involves risks. Agreements regarding associated companies and joint venture agreements may require unanimous consent or approval by shareholders' qualified majority in certain business or corporate law related decisions, which could possibly slow down or impede decision making process or make it impossible. In addition, disagreements between business partners may arise that concern, for example, implementation of projects, necessary actions and development of operations, or other typical risks involved in joint ownership structure, such as (i) possible joint or secondary liability for construction projects and any faults or delays in such projects or other liability for associated companies or joint ventures and their operations, (ii) challenges relating to maintaining uniform standards, processes and procedures as well as management systems or (iii) potential termination of the of joint ownership, or compulsory purchase or sales procedures initiated by the partner based either on its right or an alleged breach of any applicable joint venture agreement. This in turn constrains YIT's ability to cause such entities to take an action that would be in the best interests of YIT or refrain from taking an action that would be adverse to the interests of YIT. Any such disagreements or risks as described above could have a material adverse effect on YIT's business, financial position and results of operations. YIT's ability to withdraw funds (including dividends) from or liquidate its holdings in associated companies or joint ventures can be conditional to the consent of the other parties to such entities or other contractual mechanisms. In certain occasions, YIT may be obliged by the agreements regarding associated companies or joint venture agreements to invest additional equity in these entities in addition to the already invested equity, the amount of which could be significant. Additionally, the parties financing such associated companies and joint ventures may provide that YIT guarantees loans granted to such associated companies and joint ventures. The risks related to guarantees and financial arrangements are described in more detail in the section “– *YIT may not necessarily receive financing or guarantees on*

competitive terms or at all and may not necessarily be able to fulfil its obligations under financing arrangements” below.

Any of the aforementioned factors may have a material adverse effect on YIT’s business, financial position, results of operations and prospects and thereby, on the Issuer’s ability to fulfil its obligations.

Risks related to corporate acquisitions could have a material adverse effect on YIT.

YIT aims to grow organically, addition of which YIT may strive to develop its business through corporate acquisitions, divestments of businesses or other corporate transactions, most recent being the divestment of YIT’s paving and mineral aggregates businesses in Finland, Sweden, Norway and Denmark to Peab on 1 April 2020. Corporate transactions may involve obligations and risks related to their nature or value. Risks related to the operations, financing, integration problems, market and macro-economic reasons and other factors could have a material adverse effect on YIT’s business and financial position. For example, YIT is exposed to risks and challenges arising from replacing the legacy systems following the combination of the business operations of YIT and Lemminkäinen.

Secondly, in a situation where YIT could be pursuing acquisitions, there are no guarantees that it will be able to find suitable acquisition targets and execute the planned transactions. In case YIT aims to divest a part of its operations, there is a risk of a desirable purchaser cannot be found or that necessary regulatory or competition approvals cannot be obtained on commercially reasonable terms or at all, or that such divestments may have unexpected negative effects on YIT’s other operations.

Thirdly, there can be no assurance that YIT will be able to finalise any such transaction within the required timeframe, at the desired price and commercial conditions, or at all, and there can be no guarantee that the integration of past or future acquisitions, and extraction of synergies, or the payment or other terms of past or future divestments will be materialised according to plan, that the counterparty to the transaction will fulfil its obligations under the transaction to YIT, or that the corporate transactions would not lead to materially adverse consequences due to the violations of the warranties and representations either given by or given to YIT. Expansion into new geographical regions through, for instance, corporate acquisition also involves the requirement to manage political, cultural and legal risks.

If corporate transactions are not realised as planned or within the anticipated timeframe or at all, or some of the other risks concerning corporate acquisitions presented above should materialise, it could reduce or delay the expected benefits of the transactions or exclude them entirely. This could have a material adverse effect on YIT’s business, financial position, results of operations and prospects and thereby, on the Issuer’s ability to fulfil its obligations.

Variations in weather conditions could have an impact on the progress and volume of YIT’s projects.

Variations in weather conditions could hamper YIT’s operations in the construction and road maintenance business, delaying YIT’s projects for which it often has tied up large amounts of capital. For example, cold and very snowy winters and exceptionally high rainfall could interrupt the implementation of projects and increase construction expenses, shorten the working season or cause interruptions in YIT’s construction sites and significant delays to YIT’s projects. Interruptions or significant delays to projects or a shortening of the working season could lead to losses of income, expose YIT to compensation obligations towards its customers, or weaken YIT’s cash flow. These, in turn, could have a material adverse effect on YIT’s business, financial position, results of operations, reputation and prospects and thereby, on the Issuer’s ability to fulfil its obligations.

YIT’s reputation could be damaged, which could have an unfavourable effect on YIT’s customer acquisition as well as its ability to recruit and retain key personnel.

The references and recommendations given by existing customers and company’s good reputation in general play a key role in customer acquisition and the competition for skilled personnel. YIT’s reputation and brand may be exposed to negative publicity concerning YIT’s operations, the entire construction industry and YIT’s competitors. Thus, negative publicity over aspects relating to, for example, the quality of construction, occupational safety, compliance with laws and regulations, such as human and labour rights of foreign employees, grey economy, implementation of corporate responsibility or fulfilment of other obligations may materially damage the Company’s reputation among its customers and its present and potential future employees, as well as decrease trust in the Company, which could have a material adverse effect on YIT’s business, financial position, results of operations and prospects and thereby, on the Issuer’s ability to fulfil its obligations.

The materialisation of risks related to occupational health and safety could have a material adverse effect on YIT.

Risks related to occupational health and safety may result in accidents inflicted in YIT’s business operations. The frequency of various accidents and injuries at construction sites is higher than in many other industries. Construction sites are inherently dangerous working environments where serious or even fatal accidents may occur. Moreover, construction involves a great deal of work stages that involve a high physical strain. The most common injuries affect the back, knees and shoulders and, especially in paving, fingers and lower extremities. Most of the occupational accidents are related to

tripping or slipping when moving around on-site. YIT's business may also involve a risk of exposure to substances harmful to health and, in connection with renovations, also to asbestos. In paving, a substantial safety risk is the by-passing traffic of the paving sites, which can cause serious injuries or fatal accidents. Any of the potential accidents could inflict injuries to the employees and disturb construction and other projects, which could result in a liability for YIT to compensate damages as well as delay projects and oblige YIT to take preventive or restoring measures. These and other costs and liabilities could have a material adverse effect on YIT's business, financial position and results of operations, reputation and ability to recruit competent personnel.

YIT may fail to adequately manage the risks involved in occupational health and safety and YIT's safety measures, such as safety planning, safety observations, on-site safety briefing practices and orientation training may not be sufficient. YIT may also fail to investigate accidents and dangerous situations adequately and monitor the development of occupational safety at the unit, business division, business segment, management team and Board of Directors levels. Negligence in occupational safety could increase the number of fatal and serious accidents that cause permanent injury, which could expose YIT to the risk of additional costs in the form of, inter alia, corporate fines for occupational safety violations, damage claims and the costs of early retirement. The accident frequency rate may also become a factor that customers evaluate when considering YIT's eligibility for a tendering process, and it may thus limit YIT's ability to participate in tendering competitions, which could have a material adverse effect on YIT's business and results of operations. The number of occupational accidents per one million work hours at YIT including YIT's and subcontractor's personnel was 9.8 in 2020, whereas the corresponding figure in 2019 was 10.7. In 2019, one fatal accident occurred in YIT's operations, with the consequence of performing the necessary measures for investigating the accident and preventing its recurrence going forward.

Materialisation of any of these risks could lead to additional costs, loss of profits, reputational damage or potential compensation liabilities, which, in turn, could have a material adverse effect on YIT's business, financial position, results of operations and prospects and thereby, on the Issuer's ability to fulfil its obligations.

YIT may fail in identifying, resourcing and managing information and cyber security risks and in complying with regulations.

The dependence of YIT's business on the interrupted functioning of information systems has become more emphasised now that the processes have become digital. Information and cyber security risks in YIT's operations are related to the detection of abnormalities in information security, adequate resourcing for cyber security and business interruptions caused by IT, data network and cloud computing services. In addition, the EU General Data Protection Regulation ("GDPR") includes, among others, cyber security requirements that YIT must comply with. Information and cyber security risks and the costs related to them could be caused by inadequate internal processes and inconsistent procedures within YIT, inadequate project management and insufficient resources, mistakes or misconducts committed by employees or subcontractors, inability to detect abnormalities in information security and to address them effectively, inadequate technical information security controls (e.g. in cloud computing services), deficits in YIT's internal guidelines, equipment failures or disturbances in information systems or external systems, denial-of-service attacks or cyber-crime. YIT may not necessarily be able to ensure that its internal supervision practices and procedures will protect it from misconduct, abuse of confidential information or misuse of positions of trust by its own personnel, subcontractors or the personnel of its customers and partner network. If one or more such events occur, it could cause, among other things, disruptions or delays to YIT's operations, direct or indirect loss of profit, significant remediation costs, legal proceedings or a leakage of confidential information to the public, such as trade secrets, which could expose YIT to losses, damage and liability and which could cause its business and reputation to suffer. Moreover, malpractices of personnel may cause losses, or risks to other employees, and YIT could be obliged to pay damages from non-compliance with GDPR, which could be significant, and lead to reputational harm to YIT. In addition, a reform of information systems involves a significant volume of data migrations and replacement of interfaces between systems, and risks can be involved with regard to succeeding in them. There are no guarantees that the risk management measures taken by YIT will be sufficient to manage all the information and cyber security risks to which YIT is exposed to. Should any of the aforementioned risks or any other information security risk materialise, it could have a material adverse effect on YIT's business, financial position, results of operations and prospects and thereby, on the Issuer's ability to fulfil its obligations.

YIT may fail to maintain its insurance coverage or the terms and conditions of YIT's insurances may not cover all of YIT's losses or all claims for damage resulting from potential future accidents.

In its operations, YIT is exposed to various risks, such as property damage risks, occupational health and safety risks and environmental risks. YIT maintains insurance covering, among others, property damage, business interruption and product and general liability under terms and in amounts considered to be consistent with industry practices (for further information, see "Description of YIT – Insurance"). However, YIT is not fully insured against all risks, and insurance against all types of risks and catastrophic events may not be available on reasonable economic terms or at all. Notwithstanding the insurance coverage that YIT carries, the occurrence of an insurance event that causes losses in excess of limits specified under the relevant policy or is subject to material deductibles or self-insured retentions, or losses arising from events not covered by insurance policies, such as certain natural catastrophic events, could cause significant additional costs to YIT. This in turn

could have a material adverse effect on YIT's business, financial position and results of operations. Natural catastrophic events to which YIT may be exposed include, among others, windstorms, exceptional weather conditions, for example in the winter, and floods, which are inherently unpredictable in terms of both their occurrence and severity. YIT may also become exposed to the risk of terrorism, the materialisation of which could have a material adverse effect on YIT's industry and, thus, on YIT's business. Should the insurance coverage of YIT prove to be insufficient to cover some or all losses associated with damage, liability, loss of income or other costs, this could incur significant additional costs to YIT. Any liability, losses or damage not covered by YIT's current or future insurance policies could have a material adverse effect on YIT's business, financial position, results of operations, reputation and prospects and thereby, on the Issuer's ability to fulfil its obligations.

Significant fluctuations in the prices of raw materials and the cost of energy or difficulties in the sourcing of raw materials and energy could have a material adverse effect on YIT.

Changes in the availability and market prices of raw materials used in YIT's business operations have a material impact on the profitability of its business. In general, a global overproduction decreases the price of raw materials and increases availability, whereas underproduction reduces availability, potentially increasing the market price of the raw materials. The prices of raw materials or energy can also increase as a result of natural disturbances or problems with YIT's supply agreements. In addition, cost of non-renewable energy may increase due to efforts to mitigate climate change, such as carbon taxation. The trend in the market price of oil could also affect YIT's financial position through Russia, as there has historically been a correlation between the state of the Russian economy and the price development of oil. Should the Russian economy fall into a recession due to a decline in the price of oil this could have a negative impact on YIT's financial development.

A significant part of YIT's operating costs arises from the procurement of subcontracting services and construction materials. In long-term service contracts, YIT has committed to a certain service and price level. Thus, a rise in the procurement prices could have a negative effect on YIT's profitability. YIT aims to anticipate for the trend in costs by having prices linked to cost and commodity indexes and by hedging against price increase by using fixed procurement prices if appropriate. Whenever necessary, foreign exchange forward contracts are also used to hedge procurements made in foreign currencies. These measures may not necessarily be sufficient or hedge YIT as intended. The availability of raw materials needed for construction may also be limited from time to time in certain geographical operating regions of YIT. In case of long-distance transportations, the transportation costs may represent a significant proportion of the raw materials' overall prices, and thus changes in the transportation costs could significantly impact their purchasing prices.

YIT's ability to timely pass price increases on to its customers through increases in the prices of its own products is dependent on several external factors, such as the negotiating power of YIT's largest customers. Moreover, due to specific contractual provisions, competitive pressures or other factors, there may be significant delays before any price increase can be put into effect. If the prices of raw materials rise significantly or there are significant interruptions in the supply of any raw materials, YIT may have to purchase its raw materials from alternative sources, which could have a considerable impact on YIT's ability to offer competitively priced products to its customers in a timely manner. Therefore, a rise in the prices of raw materials, energy and services (such as transportation), that cannot be transferred to the prices of YIT's products or that cannot be hedged against, could have a material adverse effect on YIT's business, financial position and results of operations and prospects and thereby, on the Issuer's ability to fulfil its obligations.

Should any of the aforementioned risks or any other information or cyber security risk materialise, it could have, either individually or collectively with other risks, a material adverse effect on YIT's business, financial position, results of operations, reputation and prospects and thereby, on the Issuer's ability to fulfil its obligations.

Failure in the protection of intellectual property rights or resulting claims of infringement on third-party intellectual property rights could have a material adverse effect on YIT.

YIT protects its intellectual property rights by, among other things, acquiring patents and trademarks and supervising them in its main markets. In addition to its patent portfolio and trademarks, YIT's measures for protecting its intellectual property consist of business secrets, know-how, the development of new products and services and technological development in combination with non-disclosure agreements and certain other agreements protecting intellectual property rights. However, there can be no assurance that the measures YIT takes will effectively deter competitors from improper use of its intellectual property in all of its operating countries. Competitors may infringe the intellectual property rights owned or licensed by YIT, or disputes could arise as to ownership of intellectual property owned, used or licensed by YIT, and intellectual property may otherwise become known or the competitors could independently develop similar know-how. YIT may have to initiate legal proceedings against such competitors. The outcomes of such legal proceedings involve uncertainties and may also cause negative publicity to YIT, which in turn may have an adverse effect on YIT's operations. YIT also incurs costs for the establishment, protection, maintenance and enforcement of its intellectual property rights. Moreover, certain technologies and processes used by YIT may be subject to the intellectual property rights of third parties. Such third parties may take legal actions against the infringements of their intellectual property rights, and any such claim could delay or prevent the sale or delivery of YIT's products or services. Any failure by YIT to protect intellectual property or resulting

claims of infringement on third-party intellectual property rights could have a material adverse effect on YIT's business, financial position, results of operations, reputation and prospects and thereby, on the Issuer's ability to fulfil its obligations.

YIT could fail in arranging effective internal control of its financial reporting and is subject to the risk that its financial reporting is inaccurate or misleading.

Effective internal controls are necessary for YIT to provide reliable financial information. YIT has implemented internal control and risk management systems as well as policies and controls regarding its financial reporting. If YIT, in spite of all precautionary measures, fails in maintaining effective internal control of the financial reporting or in adopting or integrating necessary new control procedures, it may have a material adverse effect on YIT's ability to produce and provide its management with timely, reliable, accurate and up-to-date financial information on the development of the business operations. These factors could thus lead to wrong decisions or actions by its management. The international operations of YIT are also subject to a risk of failure in uniform application of standards, administrative practices, as well as operating and reporting systems. Inaccurate and/or misleading financial reporting could also cause investors and other third parties to lose confidence in YIT's reported financial information or result in sanctions and liability for damages pursuant to securities market legislation if the information published by YIT on the market were incomplete or inaccurate. Furthermore, the project projections on which YIT's financial reporting is based are estimates of the outcome of projects, which can pose a risk if the projection deviates significantly from the final outcome.

Realisation of any of the risks described above could have a material adverse effect on YIT's business, financial position, results of operations, reputation and prospects and thereby, on the Issuer's ability to fulfil its obligations.

YIT is jointly liable for certain commitments regarding the partial demerger of Caverion Corporation and YIT in 2013.

Pursuant to the Finnish Companies Act, companies involved in a demerger shall be jointly and severally liable for the liabilities of the demerging company that have arisen before the implementation of the demerger has been registered. However, the liabilities of the demerging company that according to the draft terms of demerger devolve on another company shall be borne by a company only to the maximum amount of the net assets remaining with or transferred to it. In the partial demerger implemented at the end of June 2013, the assets, debts and liabilities related to YIT building services business were transferred to Caverion Corporation and the assets, debts and liabilities of the construction business remained with YIT. Therefore, it is possible that YIT may in an insolvency be liable for the debts and liabilities transferred to Caverion Corporation according to the draft terms of demerger, including debts and liabilities that have arisen during the period between the signing of the draft terms of the demerger and the registration of the implementation of the demerger and which had been allocated to Caverion Corporation in the draft terms of demerger. It cannot be entirely excluded that YIT could not be held liable for potential violations of law or regulations in the operation of Caverion Corporation that may have taken place before the demerger. If any of these liabilities were to materialise, they could have a material adverse effect on YIT's business, financial position, results of operations and prospects and thereby, on the Issuer's ability to fulfil its obligations.

Risks relating to YIT's Legal and Regulatory Environment

The materialisation of risks related to regulation and legal proceedings as well as corporate governance could have a material adverse effect on YIT's business.

Construction and real estate businesses are regulated industries, in addition to which there are regulations relating to real estate transactions. YIT and its employees must comply with wide variety of laws and regulations enacted on both the EU and national level, including regulations on occupational safety, information security, environmental, labour and competition regulations, as well as corporate and securities market laws, accounting and tax laws, and also import bans triggered by sanctions imposed against certain Russian individuals and entities, all of which may be amended from time to time. For example, a reform of the Land Use and Building Act (132/1999, as amended) is underway and the aim is that the governmental proposal for the revised act would be issued by the end of 2021. Liability issues, among other things, will be assessed in connection with the reform and may be subject to changes. Such changes could lead to increase in YIT's expenses or other liabilities. There are no guarantees that YIT will be able to successfully adapt its operations or strategy to changes in the regulatory framework and the interpretation thereof, or to the loss of benefits associated with a certain status or permit. Such changes and failures in measures required by such changes could have a material adverse effect on YIT's results of operations or lead to an increase in its expenses or a slowing or even halting of the development of certain investments activities. There is also a risk that YIT's employees could disregard the stipulations contained in legislation, regulations, permits and authority approvals, or YIT's internal guidelines. Liabilities could also be transferred to YIT for past or ongoing omissions or violations through corporate transactions or restructurings.

Claims made by YIT's customers or counterparties or the authorities against YIT could lead to legal proceedings, for instance, related to contractual liabilities, violations of environmental legislation, employer obligations, liability under securities market law, or anti-trust or anti-bribery matters or criminal issues. The outcome of such legal proceedings could be that YIT is obligated to pay damages or fines or that it is adjudged liable for damage based on joint and several liability

on behalf of a third party, or to divest certain operations or to refrain from acquiring businesses, or otherwise refrain from increasing its market share in certain markets. Such legal proceedings could also have a negative effect on YIT's reputation from the perspective of its current and potential customers and counterparties, which could result in a loss of customers. Furthermore, these kinds of proceedings could result in YIT being excluded from some public procurement procedures. In addition, YIT could face material adverse consequences if contractual obligations were not enforceable as anticipated or if they were to be enforced in a manner adverse to YIT. For further information on YIT's pending legal proceedings, see "*Description of YIT – Legal Proceedings*". Any breaches or violations of internal or external regulations by YIT's employees could also have a direct material adverse effect on YIT if, for example, this resulted in corporate fines.

Furthermore, as YIT's operations are geographically dispersed, a large number of agreements and fixed-term nature of project may expose YIT to risks related to good corporate governance practices, such as the prevention of corruption, grey economy and bribery. Risks related to respecting human rights are associated with working conditions, harassment, racism, discrimination and unethical operating methods, among other things. YIT may fail to adequately investigate the backgrounds of its local partners or its approval procedures may prove inadequate. Risks related to unethical activities may also materialise if YIT fails to increase transparency or the use of internal audits throughout the group's operating countries, or to develop common operating methods. Materialisation of any of the aforementioned risks related to corporate governance could have a material adverse effect on YIT if, for example, this resulted in corporate fines or harm to YIT's reputation.

Changes in legislation and authorities' permit processes may slow down the progress of projects, have a negative impact on net debt, increase the need for equity or debt financing or prevent additional funding from being realised. With regard to individual projects, zoning, building permits and approvals and interpretations by the authorities, among other factors, can cause risks and, for example, transfer the order book, revenue, profit and cash flow from one quarter or year to another. YIT may have to adjust its operations to changes in the regulatory system, if it is subject to any legal proceedings resulting in liability for YIT to pay fines or damages or imposing specific obligations on YIT, or excluding YIT on a case-by-case basis from public procurement procedures. This could have a material adverse effect on YIT's business, financial position, results of operations, reputation and prospects and thereby, on the Issuer's ability to fulfil its obligations.

Increased environmental regulation and potential liability associated with environmental compliance could increase YIT's costs or restrict its business operations.

The majority of YIT's environmental impacts comes from its production facilities, selected construction materials and construction waste, transportation and emissions from construction. In connection with its business operations, YIT stores and handles, for example, oils, lubricants and other chemicals. YIT's most significant environmental risks are related to the handling of hazardous materials; materials which if released into the environment, may cause soil contamination and other environmental damage. Other environmental risks could include, among other things, inadvertent supply to YIT of raw materials that contain harmful substances in excess of regulatory limits.

YIT may also, from time to time, purchase or sell land that has been formerly used for industrial purposes. The alteration of zoning of such land for residential purposes or the acquiring of building permits may require cleaning operations, reconstruction or modification measures in order to comply with the environmental legislation. There are no guarantees that the liability for performing such measures could be fully eliminated in the agreement on the acquisition or sales of such plots, and secondly, the liability may fall on YIT despite such contractual arrangements. Moreover, YIT may purchase or own land that has previously been used for an activity due to which the land is heavily contaminated, contamination of which has not yet however been detected. Liabilities could also arise with regard to areas used in YIT's previous operations and which YIT no longer owns or controls, for example areas where asphalt plants have located. Any possible financial liabilities for damage caused by YIT to the environment would depend on the gravity of the damage. The land areas used in projects could also have separate environmental protection value, and, in addition, a built-up environment could involve historical preservation value, which must be taken into consideration when executing a project. Such factors may cause delays or changes to the planned implementation of projects and thereby increase project costs.

There can be no guarantees that YIT will be able to manage its environmental affairs in accordance with environmental laws and regulations as in force from time to time. Any future environmental laws that may be adopted or new interpretations or altered application practices of the existing ones may impose additional costs on the operations of YIT. Such liability for costs may also arise with regard to real estate properties that YIT owns, has previously owned, or where it has previously had operations, or in connection with a closure of production facilities.

YIT's business requires environmental and other regulatory permits and licenses that are subject to modification, renewal or, under certain conditions, revocation by the issuing authority. Deficiencies in the management of YIT's permit application process or changes in environmental legislation or its interpretation by the authorities could significantly delay the process for obtaining the necessary environmental permits and licenses or preclude certain previously allowed activities altogether. Furthermore, inadequate compliance with environmental legislation or enforcement of new environmental regulations could lead to increased costs, preventing YIT from developing its businesses and affecting the results of operations. Further, increasing adoption of climate change related legislation may negatively affect YIT's business if YIT

fails to comply with changes in laws and regulations or to meet its customers or other stakeholders' expectations (for further information, see “– *YIT may not necessarily be able to meet its customers' or other stakeholders' expectations or to comply with legal and regulatory requirements related to climate change which could have a material adverse effect on YIT's business and brand value*” above).

Changes in the costs related to environmental compliance and potential liabilities arising from non-compliance with environmental legislation or regulations could considerably increase the costs of YIT's operations. Should significant environmental damage occur, such as a fuel leak or contamination of the soil, it could also have a negative effect on YIT's reputation. During 2020, there were a few environmental anomalies, such as minor oil spills, for which corrective measures were taken. Legislation also makes it possible in certain cases to exclude actors who have violated environmental legislation or regulations from public procurements. Any of these factors could have a material adverse effect on YIT's business, financial position, results of operations and prospects and thereby, on the Issuer's ability to fulfil its obligations.

YIT has been exposed to the risk of damages related to the legal proceedings related to quality concerns of ready-mixed concrete.

In its construction business, YIT uses as a raw material, among other things, ready-mixed concrete. During the year 2016, especially in some infrastructure projects, suspicions arose that the ready-mixed concrete used in Finland would not entirely fulfil the predetermined quality requirements. The Hospital District of Southwest Finland presented claims for damages to YIT relating to the quality of the ready-mixed concrete as well as the work performance in the project for the construction of the concrete deck of the T3 building of Turku University Hospital. YIT has in April 2019 signed a contract with the concrete supplier on agreeing the dispute between YIT and the concrete supplier. The Hospital District of Southwest Finland has on 3 June 2020 filed a summons in the District Court of Southwest Finland against YIT and presented claims for damages etc. to YIT relating to the project for the construction of the concrete deck of the T3 building of Turku University Hospital. The capital amount of the claims totals to approximately EUR 20 million. YIT deems the claims for damages etc. unfounded. YIT has submitted its response to the Hospital District's claims to the District Court on 29 January 2021. In its response YIT has denied the Hospital District's claims as unfounded.

Should YIT be ordered to pay damages related to the ready-mixed concrete, it could have a material adverse effect on YIT's business, financial position, results of operations, reputation and prospects and thereby, on the Issuer's ability to fulfil its obligations.

Risks Relating to YIT's Financial Condition and Financing

YIT may not necessarily receive financing or guarantees on competitive terms or at all and may not necessarily be able to fulfil its obligations under financing arrangements.

YIT's ability to finance its operations depends on a number of factors, such as its cash flows from operations and access to additional debt and equity financing, and there can be no assurance that financing will be available at a commercially reasonable cost, or at all. Uncertainty in the financial markets, negative development in the Nordic residential construction market or a worsening of general economic conditions could lead to an increased cost and weaker availability of external financing required by YIT's business. Negative financial effects due to the coronavirus pandemic and uncertainties in the financial sector related thereto may also have an impact on the possibilities of banks and other external financiers to offer financing, reduce banks' possibilities to grant loans, tighten loan terms, shorten the available tenors under bank facilities, and increase the price of debt financing. YIT aims to mitigate the risk related to the availability of financing by concluding credit agreements with varying maturities and diversifying its counterparty risk, concluding committed revolving credit facilities and seeking financing by means of commercial papers and bonds. Although YIT's management believes that YIT currently has sufficient sources of capital and assets to serve its liabilities and that YIT's financial position enables it to obtain new financing, it is possible that YIT – at any given time – could face difficulties in raising capital and financing, which could lead to insolvency.

Failures in the efficient management of capital, including breaches of financial covenants included in financing agreements or negligence related to YIT's financing arrangements, could result in premature termination of financing agreements or acceleration of credits and other financing arrangements. Such failures could also result in triggering of cross default clauses in other loan or financing arrangements of YIT, which could lead to premature acceleration of these other loan or financing arrangements. All material loans and financing arrangements of YIT include such cross default clauses and, therefore, any such cross default clause being triggered could result in a material part of YIT's debt being prematurely accelerated. This could also hinder the availability of financing for YIT and distress YIT's liquidity and capital structure. It is not certain that YIT will be able to fulfil its financial covenants or any other obligations under financing agreements or receive financing it needs at a competitive price or at all in the future. YIT also operates in business areas in which guarantees are typically granted for customers or other stakeholders, for example for prepayments received, the fulfilment of contractual obligations and flaws during the warranty period. Such guarantees are typically granted by a bank, insurance company or parent company and their type can be either as for own debt or on-demand. As at 31 December 2020, YIT had granted, directly or indirectly, guarantees of in total EUR 1,053 million on behalf of companies that are part of its group. There can

be no assurances that YIT will be able to obtain sufficient guarantees at a competitive price or at all.

If any of the aforementioned risks were to materialise, it could have a material adverse effect on YIT's business, financial position, results of operations, reputation and prospects and thereby, on the Issuer's ability to fulfil its obligations.

YIT is exposed to liquidity and financial risks.

YIT's primary sources of liquidity are cash flow from operations, cash and cash equivalents reserves, loans drawn down under committed credit limits, bilateral loans, bonds, funds raised under a commercial paper programme, factoring and project-specific loans obtained for self-developed residential and business premises production. YIT's treasury function is responsible for adequacy of the group's liquidity and availability of sufficient credit limits and sources of funding as well as for managing maturing credit agreements. Due to the nature of the Group's business operations, seasonal borrowing is of great importance. Unfavourable developments in the general economic situation could have a significant effect on YIT's ability to obtain funding from the traditional financial markets. Further, disruptions or significant changes in project financing and housing company loans can affect YIT's ability to finance construction-time costs and have indirect impact on customer demand, especially in the consumer market. Housing company loans concerning unsold shares in housing companies in the possession of YIT are recorded as interest-bearing liabilities. When the construction is completed and the project company / apartment is sold, YIT no longer has responsibility of repaying or refinancing these liabilities.

As of 31 December 2020, 22 per cent of YIT's interest-bearing liabilities consisted of bonds, 19 per cent consisted of commercial papers, 18 per cent consisted of loans from financial institutions, 15 per cent consisted of housing corporation loans related to unsold apartments, 21 per cent consisted of lease liabilities and 5 per cent consisted of other loans. YIT's current interest-bearing liabilities as of 31 December 2020 totalled EUR 592 million and current interest-bearing lease liabilities as of 31 December 2020 totalled EUR 62 million. YIT's non-current interest-bearing liabilities as of 31 December 2020 totalled EUR 286 million and non-current interest-bearing lease liabilities as of 31 December 2020 totalled EUR 174 million.

YIT manages the effects of cyclical fluctuations in short-term liquidity on the group's liquidity by using commercial paper programmes and committed revolving credit facilities and overdrafts. The funding received through YIT's commercial paper programmes, however, is highly dependent on the functioning of the commercial paper markets, and any disruptions to these markets could have a material adverse effect on YIT's liquidity. On 4 June 2020 YIT agreed to extend EUR 255 million of its EUR 300 million committed revolving credit facility with one year to August 2022 (for further information, see "*Description of YIT – Material Contracts*").

Difficulties in refinancing the group's short-term debts as they fall due could have a material adverse effect on YIT's liquidity. Since the proportion of short-term debts to the group's total interest-bearing debts is high, YIT could face difficulties in refinancing its short-term loans, which in turn could have a material adverse effect on YIT's business, financial position, results of operations and prospects and thereby, on the Issuer's ability to fulfil its obligations.

Fair value of Mall of Tripla or other assets subject to fair valuation may be subject to fluctuations which could have a material adverse effect on YIT's result or financial position.

As at 31 December 2020, the fair value of YIT's equity investments was EUR 180 million which was a decrease of EUR 15 million from 31 December 2019. YIT's most significant individual equity investment is Tripla Mall Ky, which is the owner of the shopping mall, Mall of Tripla. Equity investments are recognised at fair value through profit and loss or at fair value through other comprehensive income depending on the business model of the investment. Equity investment in Tripla Mall Ky is recognised through profit and loss. The fair value of the investment in Tripla Mall Ky is based on the valuation of the property. The fair value of the property is determined by using a present value technique in order to convert the estimated future net operating income to present value. Determining the present value requires estimates of the future cash flows and discount rates. The current fair value of YIT's equity investment in Tripla Mall Ky is significantly based on the valuation of the property. The key inputs in the fair valuation of the property are the yield, vacancy rate as well as the compound annual growth rate of the net operating income. YIT's management has had to use its consideration and estimates to specify them. YIT has also other investments that are subject to fluctuation in their fair value. YIT's management follows constantly the indicators and their development relating to fair valuation of the investments. However, should YIT's management's discretion, assumptions or estimates included in the valuation of the investment prove to be incorrect or if the underlying values of the valuation components change due to changes in the market or in the operations, this could lead to fluctuations in the fair value of YIT's investments. Fluctuation in the fair values could be significantly larger than for the year ended 31 December 2020, resulting in losses recognised on YIT's results. Such fluctuations could have a material adverse effect on YIT's financial position and results of operations and thereby, on the Issuer's ability to fulfil its obligations.

YIT is exposed to foreign exchange risks especially with respect to the Russian rouble, the Norwegian krone, the Swedish krona, the Polish zloty and the Czech koruna.

YIT is exposed to foreign exchange risks, both translation and transaction risks, arising from exchange rate fluctuations.

Changes in foreign exchange rates could have an impact on the future values of cash flows, business receivables and liabilities, and other items in the statement of financial position of YIT. The translation risk arises from the translation of foreign subsidiaries' income statements and balance sheets to YIT's operating currency. In practice, YIT's translation risk arises from YIT's equity investments in foreign units and from their retained earnings. The most significant foreign exchange translation risk relates to Group's rouble-denominated equity investments in the Russian units. The transaction risk arises from the foreign currency denominated transactions from operations and financing, particularly from intra-group financing. There are no assurance that YIT manages to hedge against foreign exchange transaction risks through operational means or by using foreign exchange loans or foreign exchange derivatives in accordance with its hedging strategy. The main currencies with respect to which YIT is exposed to the foreign exchange risk are the Russian rouble, the Norwegian krone, the Swedish krona, the Polish zloty and the Czech koruna.

The change in foreign exchange rates decreased the value of the Group's net investments in equity by EUR 88 million in 2020 compared to the end of the previous year. EUR 93 million of the change in 2020 was caused by Russian rouble. In addition to the above-mentioned impact on equity, translation differences have effect on certain performance measures calculated based on such equity, such as equity ratio. In some circumstances, e.g. when disposing or permanently closing a foreign subsidiary, related accrued translation differences are recorded to profit and loss, which could have a material adverse effect on YIT's profitability. YIT strives to mitigate foreign exchange risk by, among other things, keeping net investments in other countries at an optimal level and hedging against transaction risks. However, it is not certain that YIT is able to succeed in hedging against foreign exchange rate fluctuations or that YIT's hedging strategy is sufficient to dilute the material negative impact that exchange rate fluctuations may have on its business operations. Any unfavourable changes in foreign exchange rates, especially in the Group's operating currencies, could have a material adverse effect on YIT's business, financial position, results of operations and prospects and thereby, on the Issuer's ability to fulfil its obligations.

YIT is exposed to interest rate fluctuation risk related to its financing arrangements and otherwise.

Fluctuations in interest rates may have an effect on YIT's value, its result and cash flows. YIT's interest rate risk consists mainly of fixed-rate and variable-rate borrowings, interest-bearing assets and interest rate derivatives. As of 31 December 2020, 39 per cent of YIT's interest rate portfolio was at fixed rate. Fluctuations in interest rates may also cause variation to YIT's annual contributions to benefit-based pension plans and benefit liabilities and have impact on fair valued assets.

Fluctuations in interest rates have a direct impact on both YIT's financing expenses as well as YIT's customers' investment decisions, and therefore on YIT's cash flows from operations. Rising interest rates would increase both YIT's as well as its customers' financing expenses and could therefore potentially reduce the demand for residential units.

YIT has entered into agreements in foreign currencies. Such contracts have been hedged using, among others, forward contracts. Forward contracts in foreign currencies expose YIT's result to interest rate risk. The main currencies in respect of which YIT is exposed to interest rate risk are the Russian rouble, the Norwegian krone, the Swedish krona, the Polish zloty and the Czech koruna.

All increases or decreases in interest rates will impact YIT's finance expenses and its future refinancing expenses. If interest rates decrease, YIT may have to pay interest in higher rates than it would have, had it not hedged its interest rate risk and may therefore have to bear the expenses for the hedging without receiving any benefits. Furthermore, the payment default of a counterparty in a hedging transaction or the premature termination of a hedging transactions may lead to higher interest expenses without any benefit from hedging transactions. Further, YIT may be unable to use hedging instruments in accordance with its hedging strategy. It may also be exposed to increasing hedging expenses or it may be incapable of obtaining hedging in the first place. It is not certain that YIT is able to succeed in hedging against interest rate fluctuations or that YIT's hedging strategy is sufficient to dilute the material negative impact that interest rate fluctuations may have on its business operations, finance expenses and cash flows.

Irrespective of the measures taken to manage interest rate risk, YIT may fail in adequately managing such risks, which could have a material adverse effect on YIT's business, financial position, results of operations and prospects and thereby, on the Issuer's ability to fulfil its obligations.

YIT is exposed to credit and counterparty risks.

Credit and counterparty risks materialise when counterparties are unable or unwilling to fulfil their obligations towards YIT. YIT is exposed to credit and counterparty risks in relation to its trade and other receivables (including contract assets and receivables from derivatives) and also in regards to interest-bearing receivables, and cash and cash equivalents. As at 31 December 2020, YIT's trade receivables amounted to EUR 133 million, other receivables to EUR 71 million, contract assets EUR 224 million, interest-bearing receivables to EUR 66 million and cash and cash equivalents to EUR 419 million. Currently, YIT manages its credit risk by holding the ownership of construction projects until payment is received; taking advance payments; accelerated payment programmes of projects; payment guarantees, site-specific mortgages, credit risk insurance policies, and an examination of clients' and counterparties' background information. That includes a review of customers' and counterparties' credit history, for example from rating agencies, in accordance with YIT's credit policies. Sale of trade receivables (factoring) also reduces the credit risk. In 2020, YIT's expected credit losses of trade receivables

and contract assets totalled EUR 2 million, and in 2019, EUR 1 million

In recent years, certain of YIT's customers have experienced, and may experience in the future, financial and operational challenges the continuation or exacerbation of which could place them in additional financial and operational distress or could even result in their bankruptcy. For example, the ongoing coronavirus pandemic may have a negative effect of the business of YIT's customers especially in the short-term.

Furthermore, a prolonged duration of the coronavirus pandemic or any future outbreaks as well as other changes in the global economy may put additional financial stress on YIT's customers. Financial and operational challenges experienced by customers may impact YIT's ability to collect outstanding accounts receivables fully or in a timely manner, or at all, and, consequently, result in credit losses and have a material adverse effect on YIT's cash flows. In an uncertain economic situation, it may be difficult to cover YIT's customer credit risks with credit insurance. Further, the failure by customers to fulfil their payment obligations towards YIT may have a material adverse effect on the terms or availability of credit insurance for YIT. These factors, combined with limited availability of credit, could also cause YIT's customers to reduce the volume of their purchases in an effort to improve their own financial position.

An uncertain economic situation also leads to increased counterparty risk, that is the risk that one or more of YIT's counterparties in financing transactions (e.g., banks and insurance companies) may be unable to fulfil their contractual obligations to YIT. In recent times, the general economic and financial market conditions in Europe and other parts of the world have undergone significant volatility. As uncertainty remains in the global markets, it cannot be ruled out that the global economy could fall back into a recession, which could lead to banks, insurance companies and other corporations facing financial difficulties, which, in turn, may lead to corporate restructuring arrangements, states taking over companies and bankruptcies. Despite any efforts by YIT to manage its counterparty risk, there is a possibility that one or more of YIT's financing counterparties could face serious financial difficulties or bankruptcy. If a counterparty risk materialises, YIT may incur costs relating to, among other things, rearranging its credit transactions, including on less favourable terms, such as an incremental change in its financing rate. Further, counterparty risks that materialise could force YIT to obtain alternative financing to meet its obligations under its financing arrangements, and such financing may not be available on commercially acceptable terms, or at all.

Materialisation of a credit or counterparty risk could have a material adverse effect on YIT's business, financial position, results of operations and prospects and thereby, on the Issuer's ability to fulfil its obligations.

Any impairments on goodwill, other intangible or tangible assets, investments or inventories could have a material adverse effect on YIT's financial position and result.

As of 31 December 2020, YIT had EUR 249 million in goodwill, EUR 10 million in other intangible assets, EUR 68 million in property, plant and equipment, EUR 84 million in leased property, plant and equipment and EUR 80 million in investments in associated companies and joint ventures. YIT's equity as of 31 December 2020 was EUR 920 million.

Other intangible and property, plant and equipment are amortised and depreciated over their useful lives. These assets and the investments in associated companies and joint ventures are tested for impairment if events or changes in circumstances indicate that the carrying value of an asset exceeds its fair value. Goodwill is not amortised but instead tested annually for impairment and whenever there are indications of impairment. The key assumptions affecting the present value of cash flows are developments in the market and the competitive situation, the extent and profitability of the tested business and the discount factor. In impairment testing, the discounted present value of the recoverable cash flows of each cash-generating unit are compared to the unit's carrying value. If the present value of a cash-generating unit's cash flows is lower than its carrying value, the difference is recorded as an expense in the income statement for the current financial year. Changes in income, growth development or the cash flow forecasts based on YIT's strategic plans, the discount rate or terminal growth could lead to write-downs on goodwill, which could weaken YIT's result. Other events or circumstances that lower the value of goodwill may include greater economic uncertainty, growing competition and factors leading to a decline in sales or profitability.

As of 31 December 2020, YIT's inventories stood at EUR 1,376 million and leased inventories stood at EUR 190 million. YIT's inventories are valued at the lower of cost or net realisable value. Leased inventories are measured at cost based on the lease liability which is the present value of the future lease payments. The leased inventories are not depreciated. Key components of YIT's inventories include unfinished and finished apartments, unfinished and finished business premises and unbuilt plots of land. Apartments, business premises and plots are especially sensitive to the market risk. The geographical location of such assets at both the national and regional level may affect the level of the market risk, as there may be significant regional differences in demand and market growth.

If YIT's management's discretion, assumptions or estimates or market conditions change, the estimate of the recoverable amount of goodwill and other intangible assets or property, plant and equipment or the value of investments in associated companies and joint ventures or inventories could decline significantly, causing impairments. If YIT were to be required to record any significant impairment losses related to goodwill, other intangible assets or property, plant and equipment in the future, such losses would be recognised as a cost in the Company's income statement and this could, depending on the

size of the impairment losses in question, have a material adverse effect on YIT's business, financial position and results of operations and thereby, on the Issuer's ability to fulfil its obligations.

Failure in the management of YIT's capital and investments could have a material adverse effect on its business, results of operations and financial position.

The management of YIT's capital structure, capital tied up in business operations and the amount of interest-bearing liabilities present a risk to YIT. Factors affecting the amount of YIT's interest-bearing liabilities include, for example, the expansion of the business operations and investments in production equipment, plot reserves and buildings. YIT has in particular tied up capital in plot reserves and their development as well as in ongoing construction projects (work in progress). As at 31 December 2020, YIT's capital employed was EUR 1,527 million, out of which capital employed in Russia was EUR 186 million, corresponding to 12 per cent. The availability of capital and liquidity are critical for YIT's business operations, organic growth and the utilisation of strategic opportunities. Also demands for minority dividend, when leading to payment and when in excess of the proposed dividends, may burden YIT's capital and liquidity position. YIT has issued and may in the future issue debt instruments under which such minority dividend payment could result in increased interest rate margin and, accordingly, increase YIT's financing costs. On 31 March 2021, the Issuer issued EUR 100 million capital securities (the "**Capital Securities**") (for further information, see "*A claim for a minority dividend will and a change of control may result in increased financing costs*" below and "*Summary of Recent Disclosures – Issuance of new notes and the Capital Securities*"). YIT has determined its long-term financial targets to be Return on capital employed above 12 per cent and gearing below 50 per cent. There is no assurance that YIT's actions to reduce capital employed in Russia in accordance with the Company's strategy will be successful.

YIT's loan and financing agreements contain financial covenants, including YIT's gearing, interest cover ratio, as well as equity ratio, which are calculated as defined in the respective financing agreements. All financial covenants are calculated quarterly at the group level. The covenants related to these agreements have not been breached. If the covenants would not be met, it may lead to covenant restrictions to enter into force. This may lead to premature repayment of the loans or restrict YIT's ability to raise certain types of funding. YIT's ability to fulfil its covenants could be influenced by for example significant investments or other changes in its operational capability and capital structure. In addition, events beyond YIT's control, such as changes in the capital and financial markets, foreign exchange rates, interest rates or loan margins, and cyclical fluctuations may have an effect on YIT's ability to fulfil its covenants. It is also possible that YIT, at any given time, could face difficulties in raising capital, which could lead to YIT's insolvency. There are no guarantees that YIT will be able to fulfil its financial covenants in the future.

Furthermore, YIT's measures to increase balance sheet efficiency can result in write-downs or costs, which may have negative impacts on YIT's results of operations. Regardless of the active measures taken for managing capital and investment risks, if YIT fails to sufficiently manage such risks, this can lead to an excessive increase of capital employed which could have a material adverse effect on the availability of capital and liquidity and hence also on YIT's business, financial position, results of operations and prospects and thereby, on the Issuer's ability to fulfil its obligations.

The adoption of new or revised IFRSs and their interpretation may have material effects on the comparability of YIT's future consolidated financial statements.

The International Financial Reporting Standards ("**IFRS**") comprise IFRSs issued by the International Accounting Standards Board ("**IASB**"), the International Accounting Standards ("**IAS**"), Conceptual Framework for Financial Reporting IFRIC interpretations and SIC interpretations developed by the IFRS Interpretations Committee and the former Standing Interpretations Committee. The IASB has published or may in the future publish new or amended standards and interpretations, which are not yet effective and have not yet been adopted by YIT in its financial statements. YIT will adopt each standard and interpretation from their effective date, or if the effective date is different from the first date of the reporting period, from the start of the next reporting period following the effective date as endorsed by the EU. For example, on 1 January 2019, YIT adopted the IFRS 16 Leases standard.

The IFRS may not always provide specific guidance or may leave the application thereof open for interpretation. Thus, when preparing the financial statements, the Company's management must use its judgment in developing and applying an accounting policy that results in information that is relevant and reliable. These judgements and decisions may affect the reported amount of assets, liabilities, income and expenses for the reporting period as well as the recognition of contingent items.

The nature of YIT's operations combined to the geographical location of YIT expose YIT to changes in accounting standards and various interpretations thereof. For example, the sale of housing to consumers is highly regulated and country-specific in YIT's operating countries. In the recent past, for example, the adoption of IFRS 16 Leases standard in YIT as well as changes in legislation in Russia related to the sale of housing had an impact on YIT's income statement and balance sheet items, as well as on the key performance indicators calculated based on such items. Possible future changes in the IFRS or interpretations of its application would expose YIT to risks related to changes in accounting policies and reporting standards and changes in accounting systems, which may affect, among other things, the reported profitability, dividend payment capability and/or financial position and key ratios of YIT. As a result of the new IFRS or interpretations

of its application, YIT may be required to change its accounting policies to alter its operational policies to that they reflect new financial reporting standards or to restate its published consolidated financial statements. Such changes could have a significant impact on YIT's business, results of operations and financial position and thereby, on the Issuer's ability to fulfil its obligations.

The timing of the revenue recognition of projects could cause YIT's result to fluctuate.

YIT has revenues which are recognised over time and at a point in time. Residential development projects where individual apartments are sold to customers are recognised at a point in time, except for residential development projects in Russia, where over time revenue recognition is applied. In addition, YIT has other respective offerings containing self-developed projects from which revenue is recognised at a point in time. Sometimes there may be delays in handover or closing the transactions which may delay revenue recognition from self-developed project. For example, the closing the transaction may be subject to certain conditions to which YIT has no control, such as authority approvals or fulfilment of other transaction specific closing conditions. If the completion of such self-development project or closing of the transaction deviates from original plan, the timing of the revenue recognition of such a project could cause YIT's revenue, operating profit and result from the period to fluctuate significantly from one reporting period to another.

Revenue from construction is recognised over time, if the criteria for revenue recognition over time is met. The amount of revenue recognised from such a contract may fluctuate from one period to another if the projects percentage of completion deviates from original plan. Additionally, timing of revenue recognition may fluctuate due to changes to contract scope after work has been started, disputes related to additional work or modifications, or due to the cancellation of the projects.

If the management estimates that a construction project will generate a loss, i.e. its total expenses will exceed its total revenue, the estimated loss is recognised as an expense immediately. If YIT's management is unable to estimate the total result reliably, revenue from a customer contract is recognised only to the extent that an amount equivalent to costs incurred will probably be recoverable and costs are recognised as an expense during the financial year in which they are incurred.

The timing of the revenue recognition of the projects could cause YIT's result to fluctuate from one reporting period to another. In addition to revenue recognition having a direct effect on the result for the period in question, fluctuations in the result could also have, among other things, a material adverse effect on YIT's business and financial position and thereby, on the Issuer's ability to fulfil its obligations.

A claim for a minority dividend will and a change of control may result in increased financing costs.

Pursuant to Chapter 13, Section 7 of the Finnish Companies Act (624/2006, as amended) (Fin: *osakeyhtiölaki*), a company must distribute at least 50 per cent of its net profit as dividends if shareholders representing at least 10 per cent of the shares of the company demand such distribution in the annual general meeting before the shareholders at the annual general meeting decide on the use of distributable profits for the preceding fiscal year. However, the maximum amount distributed under this provision may not exceed 8 per cent of the aggregate shareholders' equity of the company.

If such distribution of a dividend is demanded by shareholders representing at least 10 per cent of all shares of the Issuer and there is any unpaid deferred interest at the time when the Issuer declares such dividend, the interest rate applicable to the Capital Securities would be increased by an additional margin of 5.00 per cent per annum applicable as from the date on which such dividend is declared. The increased interest rate would apply also to the current amount of deferred interest and any further deferred interest to the extent that the Issuer defers any interest payment after the declaration of a dividend which constitutes a minority dividend. The increased interest rate would apply until all unpaid deferred interest is paid. However, holders of the Capital Securities should note that the payment of a minority dividend in accordance with the mandatory provisions of the Finnish Companies Act would not cause a payment of deferred interest, nor does it constitute a deferred interest payment date.

If the Issuer has not redeemed the Capital Securities within 6 months after a change of control, the interest rate applicable to the Capital Securities (including any amount of current or future deferred interest) would, unless the Issuer has obtained an investment grade credit rating prior to the end of such period, be increased by an additional margin of 5.00 per cent per annum.

If either of the above events that are not in the Issuer's control occur, the financing cost relating to the Capital Securities would be substantially increased, which in turn could have an adverse effect on Issuer's financial condition (for further information, see "*Failure in the management of YIT's capital and investments could have a material adverse effect on its business, results of operations and financial position*" above and "*Summary of Recent Disclosures – Issuance of new notes and the Capital Securities*"). Accordingly, any adverse change in the financial condition and prospects of the Issuer may adversely affect the liquidity, values and market prices for the Capital Securities, and significantly reduce the probability that the holder of Capital Securities will receive prompt and full payment, when due, for principal, interest and/or any other amounts and items payable to such holders pursuant to the Capital Securities from time to time.

YIT's tax burden may increase due to changes in tax legislation or its application and interpretation, or as a result of current or future tax audits or claims, and YIT may not be able to utilise its deferred tax assets.

Due to the international nature of its business, YIT is subject to tax laws and regulations of several jurisdictions, especially with respect to transfer pricing as well as other national tax related risks. In addition, the estimation of YIT's total income taxes requires thorough consideration and numerous filings in various countries and the final amount of taxes related to certain transactions and calculations cannot be estimated with full certainty. Moreover, tax authorities may question the conformance of the transfer pricing rules YIT may follow in its operations. The tax burden of YIT is, therefore, dependent on specific aspects of tax laws and regulations in several jurisdictions, including their application and interpretation. The applicable laws, tax treaties, court tax practice and tax authority administrative practice may change over time and the changes may have a retroactive effect in taxation. Changes in tax laws and regulations and their interpretation and application could increase YIT's tax burden significantly, which could have a material adverse effect on YIT's business, financial position and results of operations. For example, the Anti-Tax Avoidance Directive (EU) 2016/1164 ("**ATAD**") and Directive (EU) 2017/952 amending Directive (EU) 2016/1164 ("**ATAD II**") may require Member States to amend their tax legislation or taxation practices and to implement, among other things, exit tax rules, limitations on the right to deduct interest expense and controlled foreign company rules as well as rules as regards to hybrid mismatches. Finland has, for example, enacted a new law on hybrid mismatches and, as of 2022, Finland must comply with ATAD II rules on reverse hybrid mismatches. Amendments due to ATAD or ATAD II and other possible future amendments could increase YIT's tax burden. Furthermore, the introduction of the OECD multilateral instrument and the inclusion of the so-called principal purpose test in the same could increase uncertainty with respect to application of tax treaties.

YIT can be, from time to time, subject to general tax audits performed by national tax authorities. Future tax audits or other review actions of tax or other relevant authorities could lead to additional taxes, such as income taxes, withholding taxes and property taxes, capital gains taxes, asset transfer taxes and value added taxes, being levied. This could lead to an increase in YIT's tax liabilities either through the tax in question being levied directly on YIT or through YIT being considered liable to pay the tax as a secondary tax-liable entity.

Ongoing and future tax audits and claims could have an effect on YIT. YIT has participated, and may also participate in the future, in corporate transactions. Tax authorities may reject some of the views presented by YIT and as a consequence levy back taxes or reject tax refund demands. The main items under discussion or already disputed relate to transfer pricing and business-related taxes. Although YIT currently believes that such ongoing or future tax audits or disputes do not have a significant effect on YIT's financial position and profitability, the materialisation of any of the abovementioned risks could have a material adverse effect on YIT's business, financial position and results of operations and thereby, on the Issuer's ability to fulfil its obligations.

The management's estimates form a part of the criteria for recording deferred tax assets. The most common deductible temporary difference between taxation and accounting is a tax loss. The management must estimate whether a sufficient amount of taxable income will be generated in the future against which unused tax loss carry forwards can be utilised. A deferred tax asset is recorded on losses only to the extent of taxable income that it is probable will be generated in future years against which YIT will be able to utilise its tax loss carry forwards. YIT's deferred tax assets in the consolidated statement of financial position totalled EUR 35 million as of 31 December 2020. YIT's ability to generate taxable income will be subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond its control. If taxable income is lower than assumed when estimating YIT's deferred tax assets, then the value of the deferred tax assets would be reduced, which could have a material adverse effect on YIT's business, financial position and results of operations. In addition, the value of YIT's deferred tax assets would be reduced if tax rates are reduced. The loss of tax loss carry forwards or YIT's inability to utilise tax loss carry forwards in full could have a material adverse effect on YIT's business, financial position, results of operations and prospects and thereby, on the Issuer's ability to fulfil its obligations.

GENERAL INFORMATION

Issuer

YIT Corporation
Panuntie 11
FI-00620 Helsinki
Finland

Legal Adviser

Hannes Snellman Attorneys Ltd
Eteläesplanadi 20
FI-00130 Helsinki
Finland

Auditor

PricewaterhouseCoopers Oy
Itämerentori 2
FI-00180 Helsinki
Finland

Auditor with the principal responsibility Samuli Perälä, Authorised Public Accountant, for the year 2021 and Markku Katajisto, Authorised Public Accountant for the year 2020. Samuli Perälä and Markku Katajisto are registered in the register of auditors referred in Section 9 of Chapter 6 of the Auditing Act (1141/2015, as amended).

Responsibility Statement

The Issuer is responsible for the information included in this Registration Document and declares that the information presented in this Registration Document is, to the best knowledge of the Issuer, in accordance with the facts and contains no omission likely to affect its import.

Forward-looking Statements

This Registration Document contains forward-looking statements about YIT that are not historical facts, but statements about future expectations. When used in this Registration Document, the words “aims,” “anticipates,” “assumes,” “believes,” “could,” “estimates,” “expects,” “intends,” “may,” “plans,” “should,” “will,” “would” and similar expressions as they relate to YIT or YIT’s management, identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements are set forth in a number of places in this Registration Document, including “*Risk Factors*,” “*Description of YIT*,” and wherever this Registration Document includes information on the future results, plans and expectations with regard to YIT, the future growth and profitability of YIT and the future general economic conditions to which YIT is exposed.

These forward-looking statements are based on YIT’s present plans, estimates, projections and expectations. They are based on certain expectations, which even though they seem to be reasonable at present, may turn out to be incorrect. Such forward-looking statements are based on assumptions and are subject to various risks and uncertainties. Prospective investors should not unduly rely on these forward-looking statements. Numerous factors may cause YIT’s actual results, realised revenues or performance to differ materially from the results, revenues and performance expressed or implied in the forward-looking statements. See “*Risk Factors*” for information on factors that could cause YIT’s actual results of operations, performance or achievements to differ materially.

YIT does not intend and does not assume any obligation to update any forward-looking statements contained herein unless required by applicable legislation.

Alternative Performance Measures

Information incorporated into this Registration Document by reference and this Registration Document includes certain financial measures, which, in accordance with the “*Alternative Performance Measures*” guidance issued by the European Securities and Markets Authority, are not accounting measures defined or specified in IFRS and are, therefore, considered alternative performance measures. These alternative performance measures are operating profit; adjusted operating profit; capital employed; interest-bearing debt; net interest-bearing debt; equity ratio; gearing ratio; return on capital employed ROCE; net debt/adjusted EBITDA ratio; and return on equity. For detailed definitions of the above-mentioned alternative performance measures and reconciliation of certain key figures, see YIT’s report of the Board of Directors as at and for the year ended 31 December 2020 incorporated by reference into this Registration Document. In addition to the above, YIT has calculated as a new key indicator interest cover ratio (for further information, see “– *Interest Cover Ratio*” below).

YIT presents alternative performance measures as additional information to financial measures presented in the consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows prepared in accordance with IFRS as YIT believes that they provide meaningful supplemental information to the financial measures presented in the consolidated financial statements prepared in accordance with IFRS. For detailed information regarding the reasons for using each of the above-mentioned alternative performance measures, see YIT's report of the Board of Directors as at and for the year ended 31 December 2020 incorporated by reference into this Registration Document.

Alternative performance measures are not accounting measures defined or specified in IFRS and, therefore, they are considered non-IFRS measures that should not be viewed in isolation or as a substitute to the IFRS financial measures. Companies do not calculate alternative performance measures in a uniform way and, therefore, the alternative performance measures presented in this Registration Document or incorporated into this Registration Document by reference may not be comparable with similarly named measures presented by other companies. Furthermore, these alternative performance measures may not be indicative of YIT's historical results of operations and are not meant to be predictive of potential future results. The alternative performance measures presented in this Registration Document or incorporated into this Registration Document by reference are unaudited unless otherwise stated. Accordingly, undue reliance should not be placed on the alternative performance measures presented in this Registration Document or incorporated into this Registration Document by reference.

Interest Cover Ratio

YIT has calculated as a new key performance indicator, which is also an alternative performance measure, interest cover ratio. Interest cover ratio gives investors information on YIT's ability to service debt. The investor cover ratio presents the ratio of rolling 12 months adjusted operating profit before depreciations and amortisations divided with rolling 12 months net finance costs deducted with rolling 12 months exchange rate differences (net). The formula for calculating the interest cover ratio is thus as follows:

Adjusted operating profit before depreciations and amortisations / (Net finance costs - Exchange rate differences (net)), rolling 12 months.

The interest cover ratio for the periods indicated below was as follows:

| | For the rolling 12 months ended | | | | |
|-----------------------------|---------------------------------|---------------------|--------------------|-------------------------|------------------------|
| | 31 December 2019 | 31 March 2020 | 30 June 2020 | 30 September 2020 | 31 December 2020 |
| | (unaudited) | | | | |
| Interest cover ratio | 5.8 | 5.9 | 5.0 | 4.6 | 3.0 |

Market Information

This Registration Document contains information about the markets and industries in which YIT operates and YIT's competitive position therein. Where such information contained in this Registration Document has been derived from third party sources, the name of the source is given therein.

While the Company has accurately reproduced such third-party information, the Company has not verified the accuracy of such information, market data or other information on which third parties have based their studies. As far as the Company is aware and is able to ascertain from information published by these third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Moreover, market studies are frequently based on information and assumptions that may not be exact or appropriate, and their methodology is by nature forward-looking and speculative.

This Registration Document also contains estimates regarding the market position of YIT that cannot be gathered from publications by market research institutions or any other independent sources. In many cases, there is no publicly available information on such data, for example from industry associations, public authorities or other organisations and institutions. YIT believes that its internal estimates of market data and information derived therefrom and included in this Registration Document are helpful in order to give investors a better understanding of the industry in which YIT operates as well as its position within this industry. Although the Company believes that its internal market estimates are fair, they have not been reviewed or verified by any external experts and the Company cannot guarantee that a third-party expert using different methods would obtain or generate the same results.

Additional Information

Neither the Issuer nor its debt securities have been assigned any credit ratings at the request or with the cooperation of the Issuer in the rating process.

Availability of Documents

This Registration Document will be published on YIT's website at www.yitgroup.com/en/investors on or about 31 March 2021. In addition, this Registration Document will be available on request from the Issuer.

No Incorporation of Website Information

The documents incorporated by reference into this Registration Document are available on YIT's website at www.yitgroup.com/en/investors. However, other contents of YIT's website or any other website do not form a part of this Registration Document (excluding the documents incorporated by reference into this Registration Document as set forth in "*Documents Incorporated by Reference into this Registration Document*"), and prospective investors should not rely on such information in making their decision to purchase YIT's securities.

Certain Other Information

Financial information set forth in this Registration Document has been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total figure given for that column or row.

In this Registration Document, references to "euro" or "EUR" are to the currency of the member states of the EU participating in the European Economic and Monetary Union.

DESCRIPTION OF YIT

Overview

YIT is the largest Finnish⁸ and a significant North European urban developer and construction company. YIT's business is based on urban development and the entire life cycle of the built environment. YIT develops and builds housing and living services, business premises and entire areas, and is also specialised in demanding infrastructure construction. At the core of YIT's business model is a continuous flow of development projects that covers design, construction, ownership and service delivery.

YIT's five reported business segments are Housing Finland and CEE, Housing Russia, Business premises, Infrastructure and Partnership properties. YIT operates in Finland, Sweden, Russia, the Baltic countries and central Eastern Europe. YIT still operates in Norway but it was announced in October 2020 that YIT would close down its infrastructure business in Norway. The close down is estimated to be completed in 2022.

In 2020, YIT had approximately 7,400 employees on average and the audited revenue amounted to EUR 3,069 million.

YIT Corporation is domiciled in Helsinki, Finland and its registered address is Panuntie 11, FI-00620 Helsinki, Finland. YIT's shares have been listed on Nasdaq Helsinki Ltd ("Nasdaq Helsinki") since 1995.

History

The roots of YIT and Lemminkäinen trace back to the 1910s and the companies have a long history in the Northern European construction industry.

YIT in its current form was created through the merger of YIT and Lemminkäinen. On 19 June 2017, the Boards of Directors of Lemminkäinen and YIT agreed on the combination of the two companies and concluded a combination agreement and signed a merger plan, under which Lemminkäinen merged into YIT through a statutory absorption merger where all assets and liabilities of Lemminkäinen were transferred without a liquidation procedure to YIT. The merger was completed, and the completion of the merger was registered with the Finnish Trade Register on 1 February 2018. The combination provides a strong platform for future growth through increased economies of scale. The combined company has a wide presence in several economic regions where it can accelerate growth while simultaneously reducing sensitivity on country-specific construction cycles.

On 4 July 2019, YIT and Peab signed an agreement for the sale of YIT's paving and mineral aggregates businesses in Finland, Sweden, Norway and Denmark. The sale was completed on 1 April 2020. YIT recorded a positive cash flow effect of EUR 288 million and the gain on sale of Nordic paving and mineral aggregates businesses amounted to EUR 55 million. Upon completion of the transaction, the business portfolio of YIT was streamlined, the balance sheet further strengthened, and the seasonal earnings volatility of YIT declined. With the capital released through the sale, YIT aims to accelerate growth and profitability improvement in priority areas defined in the Group strategy: urban development and non-cyclical businesses.

Strategy

Sustainable urban development is the core of YIT's strategy. The target of the strategy is to improve profitability and capital efficiency. To achieve this target, the Company continues to strengthen its residential plot reserve by focusing on capital regions and other strongest growth centres. YIT also utilises its capabilities in project development and focuses on self-developed and knowledge-based projects. In property investments, strong partnerships and co-operation models enable implementing large urban projects with controlled capital use and a lower risk level.

The strategy is implemented by four cornerstones of YIT's success:

- *Top performance* is pursued through construction site productivity and a high level of capital efficiency. YIT will leverage digital opportunities in improving the efficiency of services and processes.
- *Success with customers and partners* – Better customer insight, the use of data, conceptualisation and active daily customer work enable YIT to improve the customer experience. By collaborating with YIT's partners, YIT increases innovation, speed and financing.
- *Stepping up sustainability* – YIT steps up sustainability in its operations and products through, among other things, its choices of materials and the improved efficiency of operations. YIT creates new business and services in line with the principles of sustainable development throughout the property life cycle.

⁸ Measured by revenue and number of employees in 2019 based on the Rakennuslehti website, which contains the performance data of Finland's largest construction and real estate companies. Available at <https://www.rakennuslehti.fi/suurimmat/>. Referred on 10 March 2021.

- *Happy people* gravitate towards working communities where the company culture, leadership practices, tools, compensation and benefits together with the overall atmosphere foster commitment and satisfaction. YIT's target is to be the most desired employer in its field among current employees, students and professionals.

Strategic Targets

The Issuer's strategic targets are the following:

- over 12 per cent return on capital employed (ROCE);
- gearing below 50 per cent;
- growing dividend per share; and
- halving greenhouse gas emissions by 2030 compared to 2019.

The statements set forth in this section include forward-looking statements and are not guarantees of YIT's performance in the future. YIT's actual results of operations and financial condition could differ materially from those expressed or implied by these forward-looking statements as a result of many factors, including, but not limited to, those described in "General Information — Forward-looking Statements" and "Risk Factors". Undue reliance should not be placed on these forward-looking statements.

Outlook and Guidance

This section "Outlook and Guidance" contains forward-looking statements. Forward-looking statements do not guarantee future development and the actual market development of YIT, the financial performance of YIT or the financial results actually achieved may materially differ from what has been presented in or what can be concluded from the forward-looking statements as a result of many factors, some of which are described in the sections "General Information — Forward-looking Statements" and "Risk Factors". YIT advises to take a cautious view on these forward-looking statements, which are valid only as at the date of this Registration Document. The following discussion has been prepared on a basis which is (i) comparable with YIT's historical financial information and (ii) consistent with YIT's accounting policies.

YIT's guidance set out below is based on, inter alia, the estimates and assumptions made by YIT's management as regards the development of the COVID-19 pandemic and other items.

The key factors affecting operating profit that YIT can affect are, for example, efficiency and scope of its own operations. Factors beyond YIT's control are e.g. related to the duration of the COVID-19 pandemic and the measures to fight the pandemic as well as the timing of customers' purchase decisions, customer activity and demand, and changes in market yields.

Short-term (Q1/2021) Market Outlook

Housing

In Finland, consumer activity is expected to stay at a good level, and institutional investors are returning more active. The availability of housing company loan financing is expected to remain stable but challenging. Access to consumer mortgages is delayed. Uncertainty caused by the COVID-19 pandemic continues.

In the Baltic countries, demand is expected to remain stable, and in the Central European countries, demand is expected to be at a good level. Uncertainty caused by the COVID-19 pandemic continues in both regions.

In Russia, consumer demand is expected to decrease due to seasonality and normalising consumer behaviour after a very strong peak in 2020. Demand continues to focus on reliable developers. The State's interest subsidy programme is to continue until June 2021, which continues to support consumer demand.

Business premises and Partnership properties

In Finland, real estate investor demand and readiness to make decisions, particularly for office and logistics properties, is starting to recover. The contracting market is expected to remain stable but competition is intensifying and adding pressure on price levels. Yield requirements for commercial projects are expected to be impacted by accelerating online sales and uncertainty caused by the COVID-19 pandemic.

In the Baltic countries, the contracting market is recovering, but uncertainty caused by the COVID-19 pandemic continues. Competition is expected to stay intense.

In the Central European countries, property investors are increasingly cautious due to the uncertainty caused by the COVID-19 pandemic. Rental demand is slowing down due to the uncertainty caused by the COVID-19 pandemic.

Infrastructure

In Finland, the uncertainty is expected to remain, and demand is expected to continue subdued due to delays in the development of infrastructure projects. State stimulus packages are expected to start supporting the sector from 2021 onwards.

In the Baltic countries, the contracting market is expected to start recovering.

In Sweden, the market is expected to remain at a good level due to traffic infrastructure development programmes and urbanisation development. There are large-scale road and railway projects and industrial investments ongoing and in preparation.

Guidance

In 2021, housing completions are expected to decrease in Housing Finland and CEE compared to 2020. In Housing Russia, solid underlying performance is estimated to continue. In Business premises, performance is expected to stabilise. Project management issues in the Infrastructure segment are burdening earnings but those issues are expected to be resolved as the year progresses. In Partnership properties, portfolio development is expected to continue.

YIT expects its full-year 2021 adjusted operating profit to be higher than in 2020 (EUR 85 million). The fourth quarter is expected to be clearly the strongest.

The result is dependent on certain project completions and contract closings towards the end of the year. Temporary shutdowns or slower progress on construction sites and delayed completions due to the COVID-19 pandemic could lead to the postponement of revenue and profit from one quarter or year to another. The pandemic may also lead to changes in market yields, which may have impacts on the fair value of the investments.

Business Operations

Overview

YIT's service offering consists of four business areas: housing, business premises, infrastructure and partnership properties. The five reported segments of YIT are Housing Finland and CEE, Housing Russia, Business premises, Infrastructure as well as Partnership properties.

The following table sets forth certain key financial information for YIT by reporting segment for the periods indicated:

| | For the year ended | |
|--|--------------------|------------------|
| | 31 December 2020 | 31 December 2019 |
| | (audited) | (unaudited) |
| | (EUR in millions) | |
| Revenue | | |
| Housing Finland and CEE | 1,286 | 1,240 |
| Housing Russia | 305 | 240 |
| Business premises | 761 | 1,177 |
| Infrastructure | 791 | 807 |
| Partnership properties | 17 | 0 |
| Other items | -90 | -73 |
| Group, IFRS | <u>3,069</u> | <u>3,392</u> |
| Operating profit | | |
| Housing Finland and CEE | 108 | 91 |
| Housing Russia | 8 | -47 |
| Business premises | -46 | -7 |
| Infrastructure | -1 | 14 |
| Partnership properties | 5 | 83 |
| Other items | -40 | -54 |
| Group, IFRS | <u>35</u> | <u>80</u> |
| Adjusted operating profit¹ | | |
| Housing Finland and CEE | 108 | 91 |
| Housing Russia | 27 | 1 |
| Business premises | -44 | -7 |
| Infrastructure | 13 | 15 |
| Partnership properties | 5 | 83 |
| Other items | -24 | -18 |
| Group, IFRS | <u>85</u> | <u>165</u> |

¹⁾ Unaudited.

Housing Finland and CEE

The Housing Finland and CEE segment's business comprises development and construction of apartments, entire residential areas and leisure-time residences. YIT also offers and develops different living services and concepts. Residential construction projects are mainly residential development and negotiation projects which are mainly new development projects. The customers are private consumers and investors. Private consumers and investors purchase one or a few apartments from residential development projects, whereas investors purchase several apartments from residential development projects, a residential building or multiple residential buildings. The segment's geographical markets are Finland, the Czech Republic, Slovakia, Poland, Estonia, Latvia and Lithuania.

The following table sets out the number of completed consumer apartments in Finland and in the Central European countries during the years indicated:

| | 2020 | 2019 |
|---|-------------|-------|
| | (unaudited) | |
| Completed consumer apartments, units | | |
| Housing Finland | 4,256 | 4,282 |
| Housing CEE | 1,654 | 1,740 |
| Unsold completed, units | 736 | 516 |

The following table sets out the number of sold apartments and apartment start-ups in Finland and in the Central European countries during the periods indicated:

| | For the three months ended | | | | | | | |
|-----------------------------------|----------------------------|--------------------|-------------------------|------------------------|---------------------|--------------------|-------------------------|------------------------|
| | 31 March 2019 | 30 June 2019 | 30 September 2019 | 31 December 2019 | 31 March 2020 | 30 June 2020 | 30 September 2020 | 31 December 2020 |
| | (unaudited) | | | | | | | |
| Sold apartments, units | | | | | | | | |
| Housing Finland | 1,372 | 1,481 | 845 | 1,274 | 897 | 717 | 725 | 1,305 |
| To consumers | 433 | 401 | 584 | 728 | 469 | 354 | 527 | 766 |
| To investors (funds) | 939 | 1,080 | 261 | 546 | 428 | 363 | 198 | 539 |
| Housing CEE ¹ | 357 | 236 | 249 | 442 | 374 | 158 | 634 | 339 |
| To consumers | 259 | 236 | 249 | 344 | 276 | 148 | 266 | 334 |
| To investors (funds) | 98 | 0 | 0 | 98 | 98 | 10 | 368 | 5 |
| Apartment start-ups, units | | | | | | | | |
| Housing Finland | 863 | 1,637 | 907 | 1,091 | 664 | 799 | 636 | 1,023 |
| To consumers | 510 | 644 | 660 | 545 | 236 | 436 | 438 | 484 |
| To investors (funds) | 353 | 993 | 247 | 546 | 428 | 363 | 198 | 539 |
| Housing CEE (to consumers) | 319 | 345 | 590 | 665 | 162 | 90 | 998 | 348 |

¹⁾ Of projects earlier sold to YCE Housing I fund or a joint venture, and recorded as investor sales, YIT sold 192 apartments further to consumers during the last quarter of 2020 (Q4/2019: 69).

Housing Russia

The Housing Russia segment's business comprises development and construction of apartments and entire residential areas in Russia. YIT develops apartments and residential areas on a self-developed basis in Russia. Residential construction customers are private consumers. YIT also provides property management and maintenance services for apartments and offers and develops a wide range of living services in Russia.

The following table sets out the number of sold apartments in Russia during the years indicated:

| | 2020 | 2019 |
|-------------------------|-------------|-------|
| | (unaudited) | |
| Apartment sales | | |
| Continuing units | 2,706 | 1,756 |
| Operations to be closed | 1,520 | 1,281 |

The following table sets out the number of sold apartments and apartment start-ups in Russia during the periods indicated:

| | For the three months ended | | | | | | | |
|-----------------------------------|----------------------------|--------------------|-------------------------|------------------------|---------------------|--------------------|-------------------------|------------------------|
| | 31 March 2019 | 30 June 2019 | 30 September 2019 | 31 December 2019 | 31 March 2020 | 30 June 2020 | 30 September 2020 | 31 December 2020 |
| | (unaudited) | | | | | | | |
| Sold apartments, units | 722 | 725 | 662 | 928 | 862 | 750 | 1,461 | 1,153 |
| Financed with mortgage, % | 48 | 42 | 42 | 42 | 44 | 54 | 58 | 62 |
| Apartment start-ups, units | 571 | 1,281 | 594 | 483 | 906 | 807 | 775 | 399 |
| Continuing units | 418 | 779 | 274 | 483 | 582 | 807 | 475 | 399 |
| Moscow and Moscow region | 153 | 502 | 320 | 0 | 320 | 0 | 300 | 0 |

Business premises

The Business premises segment consists of business premises businesses as well as residential contracting. Business premises projects include constructing commercial, industrial and public buildings, and renovations. Projects are built for investors and owner-occupiers. Most of the projects are project management contracting, design and build-projects, alliances and life cycle projects. Renovation constructing services are ranging from small-scale surface renovation to wholesale refurbishment of entire buildings. Business premises segment has also self-developed business premises projects. These are projects which have not been sold when the construction starts. Geographically the segment's business is focused in Finland. The segment's geographical markets are Finland, Estonia, Latvia, Lithuania, Poland and Slovakia.

Infrastructure

Infrastructure includes road and street construction and maintenance, bridge building and repairing, railway construction, hydraulic and foundation engineering, underground construction, excavation, other earthworks and public utilities as well as wind power park development and contracting. Infrastructure services in the Baltic countries also include paving services and selling asphalt mass. For infrastructure services, the customer is often the public sector. The segment operates in Finland, Sweden, Norway, Estonia, Latvia and Lithuania.

Partnership properties

The Partnership properties segment consists of business premises and hybrid projects' project development businesses and real estate services such as renting and real estate management. Additionally, the segment is responsible for financing in the development phase of significant real estate development projects as well as owning plots and developed real estates and realising them at the right moment. The segment operates in Finland, Estonia, Latvia, Lithuania, Slovakia, the Czech Republic and Poland.

Operating Environment and Trend Information

YIT operates in Finland, Sweden, Russia, the Baltic countries and central Eastern Europe. YIT still operates in Norway but it was announced in October 2020 that YIT would close down its infrastructure business in Norway. The close down is estimated to be completed in 2022. Furthermore, YIT discontinued its operations in Denmark in March 2020 as a result of the sale of the Nordic paving and mineral aggregates businesses.

The general economic development, functioning of the financial markets and the political environment in YIT's operating countries have a significant impact on YIT's business. Finland accounts for the majority of YIT's revenue, which highlights the significance of Finland's economic development for YIT's business. There are uncertainty factors related to the economic development of Russia in the long term.

YIT's operating environment is impacted by various global megatrends such as urbanisation, sustainability, and digitalisation and currently the global COVID-19 pandemic.

During the reporting year of 2020, YIT's operating environment was hit by the COVID-19 pandemic along with the entire world. The effects began to show in YIT's operating countries in mid-March, and the extent of the effects varied within the year in line with the pandemic waves. During the reporting year of 2020, the pandemic caused a few temporary site closures following the decisions of the authorities, delays in the authority processes, and general market uncertainty. YIT's operations remained uninterrupted in all countries in which it operates, albeit subject to the restrictions related to the COVID-19 pandemic.

For more information on YIT's short-term market outlook, see “– Outlook and Guidance – Short-term (Q1/2021) market outlook” above. Due to the uncertainties caused by the ongoing COVID-19 pandemic, YIT cannot give a more detailed outlook nor trend view for the full year 2021.

Maturity Structure of YIT's Interest-Bearing Debt

The following table sets out the maturity structure of YIT's interest-bearing debt (excluding EUR 163 million housing company loans related to unsold apartments, EUR 216 million commercial papers and EUR 235 million lease liabilities) as of 31 December 2020:

| Amount (EUR in millions) | Year | | | | | |
|-----------------------------|------|------|------|------|------|-------|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026- |
| | 213 | 107 | 150 | 0 | 9 | 20 |

Group Legal Structure

The Issuer was incorporated on 1 September 1987 and it is a public limited liability company incorporated in Finland and organised under the laws of Finland. The registered business name of the Issuer is YIT Oyj in Finnish, YIT Abp in Swedish and YIT Corporation in English, and it is domiciled in Helsinki, Finland. The Issuer is registered in the Finnish Trade Register under the business identity code 0112650-2. The Issuer's registered office is located at Panuntie 11, FI-00620 Helsinki, Finland, and its telephone number is +358 20 433 111. YIT's legal entity identifier (LEI) is 529900M13GM4VSTE6W80.

Pursuant to Article 2 of its articles of association, the Issuer's objects are to engage in production in the construction industry, manufacture and leasing of and trade with building materials and components in Finland and abroad. In addition to the foregoing activities, the Issuer shall also own, buy and sell real estate properties and shares in real estate and housing

companies as well as lease apartments and properties complete with buildings and facilities and engage in other activities related to the foregoing. The Issuer may also trade in securities. The Issuer may engage in the activities in accordance with its declared objects either directly and/or through its subsidiaries and affiliated companies and joint ventures. The Issuer may offer services in the areas of administration, personnel management, financing, accounting, legal matters, taxation, investor relations and communications as well as other services to the Group companies and affiliated companies.

The YIT Group consists of the parent company YIT Corporation and subsidiaries and associate companies located in several different countries. In addition to Finland, YIT operates in Sweden, Russia, the Czech Republic, Slovakia, Poland, Estonia, Latvia and Lithuania. YIT still operates in Norway but it was announced in October 2020 that YIT would close down its infrastructure business in Norway. The close down is estimated to be completed in 2022.

The Group's parent company YIT Corporation is responsible for, amongst other things, the management of YIT Group and financing, financial administration, human resources, legal matters, communications and marketing at the Group level. YIT Group's business operations are carried out by YIT Corporation's local subsidiaries utilising local resources and operating models.

Insurance

YIT maintains several different insurances at the Group level, including insurance for damage to property, the interruption of business operations, installation, construction and delayed works, operation and product liability and management's liability. Locally, YIT maintains statutory occupational accident, traffic and environmental liability insurances, as well as voluntary travel and accident insurances.

YIT's management believes that YIT's insurance policies provide sufficient cover against possible claims for damages and liabilities resulting from YIT's business operations. YIT's management is not aware of any significant deficiencies in insurance coverage. However, the insurances are subject to customary limitations, and due to this, insurances may not cover all damages incurred. See "*Risk Factors – YIT may fail to maintain its insurance coverage or the terms and conditions of YIT's insurances may not cover all of YIT's losses or all claims for damage resulting from potential future accidents*".

Material Contracts

Other than the contracts described below, there are no material contracts that have not been entered into in the ordinary course of YIT's business, which could result in any group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to security holders in respect of the securities being issued.

Financing Arrangements

Revolving Credit Facility Agreement

On 24 August 2017 YIT entered into a EUR 300 million revolving credit facility agreement with Nordea Bank Abp (formerly Nordea Bank AB (publ) Finnish Branch), Danske Bank A/S, OP Corporate Bank plc, Handelsbanken Capital Markets, Svenska Handelsbanken AB (publ), Skandinaviska Enskilda Banken AB (publ), Swedbank AB (publ) acting as lead arrangers and arrangers and LähiTapiola Yritysrahoitus I Ky as arranger and Danske Bank as the agent under the arrangement. The revolving credit facility became available to YIT on 1 February 2018 and was used to replace YIT's prior EUR 200 million revolving credit facility, dated 25 October 2016.

The original maturity date of the revolving credit facility instated in 2017 is in August 2020. However, the credit facility includes an option for a one-year extension, which YIT agreed to use on 8 August 2018 where by the maturity date was extended to August 2021. On 4 June 2020 YIT agreed by an amendment letter to further extend EUR 255 million of its EUR 300 million revolving credit facility with one year to August 2022.

The interest rate paid on the loans drawn down under the revolving credit facility agreement consists of the sum of the applicable margin and the Euribor rate. The margin charged on the revolving credit facility will be determined on the basis of the company's indebtedness (the ratio of net debt to EBITDA).

The revolving credit facility agreement includes customary terms and conditions concerning voluntary and mandatory early repayment and cancellation as well as customary financial covenants, business covenants, representations and acceleration clauses (with certain exceptions and conditions). The loans drawn down under the new revolving credit facility agreement are unsecured, non-guaranteed and rank at least *pari passu* with the claims of all YIT's other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

Commercial Paper Program

The Company has a EUR 400 million commercial paper program directed to Finnish investors of which EUR 216 million was utilised as at 31 December 2020.

Legal Proceedings

YIT operates in several countries and from time-to-time disputes arise in the course of the day-to-day operations of the company. Except for the proceedings described below, there are no governmental, legal or arbitration proceedings (including any proceedings, which are pending or threatened, of which the Issuer is aware) which may have, or have had in the past 12 months, a significant effect on the financial position or profitability of the Issuer and/or the Group.

Legal proceedings regarding damages related to the asphalt cartel

On 23 November 2020, the Supreme Court of Finland announced its decision on the last matter pending before courts against YIT concerning the damages related to the asphalt cartel. The Supreme Court approved for the most part YIT's claims related to the question on the share of value added tax. The Supreme Court's decision is in line with the Supreme Court's earlier decisions regarding the issue.

YIT has reached a settlement with all other claimants whose claims against YIT were pending before the Supreme Court. The settlements were made in line with the legal principles set out in the Supreme Court's judgements. In addition, YIT has settled earlier all the matters pending before the District Court of Helsinki in Finland against YIT. The settlements were made in line with the legal principles set out in the judgements of the Helsinki Court of Appeal in Finland and the Supreme Court. Pursuant to the settlements, these claimants have dropped their claims.

As at the date of this Registration Document, all the proceedings pending before courts against YIT concerning the damages related to the asphalt cartel have ended.

Quality concerns related to ready-mixed concrete

Ready-mixed concrete, among other things, has been used in construction business as a raw material. During 2016, especially in some infrastructure projects, suspicions arose that the ready-mixed concrete used in Finland would not entirely fulfil the predetermined quality requirements.

The Hospital District of Southwest Finland presented claims for damages to YIT relating to the quality of the ready-mixed concrete as well as the work performance in the project for the construction of the concrete deck of the T3 building of Turku University Hospital.

YIT has in April 2019 signed a contract with the concrete supplier on agreeing the dispute between YIT and the concrete supplier.

The Hospital District of Southwest Finland has on 3 June 2020 filed a summons with the District Court of Southwest Finland against YIT and presented claims for damages etc. to YIT relating to the project for the construction of the concrete deck of the T3 building of Turku University Hospital. The capital amount of the claims totals approximately EUR 20 million.

YIT has submitted its response to the Hospital District's claims to the District Court on 29 January 2021. In its response YIT has denied the Hospital District's claims as unfounded.

SUMMARY OF RECENT DISCLOSURES

The following summary sets forth information disclosed by YIT pursuant to the Market Abuse Regulation (EU) No 596/2014 (“MAR”) as well as certain other information disclosed by YIT pursuant to the rules of Nasdaq Helsinki over the last 12 months preceding the date of this Registration Document, which, to YIT’s knowledge, is still relevant as at the date of this Registration Document.

The following summary does not discuss periodic financial reporting nor other disclosure obligations other than those pertaining to MAR or the rules of Nasdaq Helsinki. Therefore, the summary is not exhaustive and does not discuss all stock exchange releases issued by YIT during the above-stated time period.

Information disclosed pursuant to MAR

Disclosure of Manager’s Transactions

Persons discharging managerial duties in YIT carried out transactions in YIT’s securities during the 12 months preceding the date of this Registration Document. In accordance with applicable rules, YIT disclosed the notifications it had received concerning such transactions.

Resignation of President and CEO

On 23 October 2020, YIT announced that Kari Kauniskangas will leave his position as President and CEO of YIT and that Antti Inkilä, Executive Vice President of Housing Finland and CEE segment, has been appointed as Interim President and CEO effective as of 23 October 2020.

Other information

Corporate transactions

On 1 April 2020, YIT announced that the sale of YIT’s Nordic paving and mineral aggregates businesses to Peab was completed. It was announced that YIT will record a positive cash flow effect of approximately EUR 285 million and a capital gain of approximately EUR 40 million which is not part of adjusted operating profit. On 3 February 2021, YIT announced in its financial statements bulletin for 2020 that the gain on sale of Nordic paving and mineral aggregates businesses amounted to EUR 55 million.

In October 2020, YIT announced it would close down its infrastructure business in Norway. The close down is estimated to be completed in 2022

Appointment of President and CEO

On 21 December 2020, YIT announced that Markku Moilanen has been appointed as President and CEO of YIT, and on 18 February 2021, YIT announced that Markku Moilanen will commence as President and CEO on 1 April 2021. Antti Inkilä will continue as Interim President and CEO until Markku Moilanen starts.

Share incentive plan

On 17 March 2020, YIT announced that the Board of Directors of YIT has on 16 March 2020 decided to launch a new long-term share-based incentive scheme for key persons. The earning periods of the incentive scheme are for three years. A potential bonus will be determined on the basis of the indicators decided annually by the Board of Directors of YIT for each earning period and their target levels. The Board of Directors also decides on the approximately 260 key persons from different YIT countries to be included in the incentive scheme for each earning period. After the three-year earning period and the confirmation of the annual report, the shares are transferred to key persons employed by the Company. A maximum of approximately 2,100,000 gross shares can be distributed each year.

New financing agreements and amendments to the terms and conditions of the existing financing agreements

On 24 March 2020, YIT announced that it has agreed with Skandinaviska Enskilda Banken AB (publ) on a two-year term loan of EUR 50 million with a maturity date in March 2022. The agreement includes two options for a one-year extension. The loan will be used for payment of the existing EUR 30 million bilateral loan from Skandinaviska Enskilda Banken AB (publ) and for general corporate purposes.

On 3 June 2020, YIT announced that it has agreed with Swedbank on a one-year extension of its EUR 30 million and EUR 50 million term loans. The new maturity date for the EUR 30 million term loan is in June 2021 and the new maturity date for the EUR 50 million term loan is in October 2021.

On 4 June 2020, YIT announced that it has agreed with the lenders to extend EUR 255 million of its EUR 300 million committed revolving credit facility with one year to August 2022.

Tender offer, voluntary total redemption and new issue

On 16 March 2021, the Issuer announced a cash tender offer for its EUR 100 million 3.150 per cent notes due 11 June 2021 (ISIN: FI4000330824) (the “**2021 Notes**”) and EUR 150 million 4.250 per cent notes due 11 June 2023 (ISIN: FI4000330832) (the “**2023 Notes**”) and together with the 2021 Notes, the “**Existing Notes**”) according to the terms and conditions set out in the tender offer memorandum dated 16 March 2021 (the “**Tender Offer**”). The Issuer also announced that it is going to voluntarily redeem any and all of its outstanding 2021 Notes and 2023 Notes not repurchased in conjunction with the Tender Offer. Furthermore, the Issuer announced that it is considering the issuance of new euro denominated notes and capital securities.

Final results of the Tender Offer

On 25 March 2021, the Issuer completed a purchase of a total nominal value of EUR 201.469 million of the Existing Notes validly tendered in the Tender Offer. As at the date of this Registration Document, the total outstanding nominal amount of the Existing Notes is EUR 48.531 million. The Existing Notes not tendered pursuant to the Tender Offer will be voluntarily redeemed on 8 April 2021. See also “– *Tender offer, voluntary total redemption and new issue*” above.

Issuance of new notes and the Capital Securities

On 25 March 2021, the Issuer announced that it issues new senior unsecured notes of EUR 100 million with maturity date in 2024, new senior unsecured notes of EUR 100 million with maturity date in 2026 and the Capital Securities with a nominal value of EUR 100 million.

Annual General Meeting of Shareholders

On 3 February 2021, YIT published the notice convening YIT’s Annual General Meeting. The Board of Directors had proposed that a dividend of EUR 0.14 per share be paid based on the balance sheet to be adopted for the year 2020. As the Board of Directors had proposed a dividend which was less than provided for in Chapter 13, Section 7 of the Finnish Companies Act (624/2006, as amended, the “**Finnish Companies Act**”), the shareholders had the right to demand a dividend equalling the minority dividend under the said provision. The minority dividend was approximately EUR 66 million (based on the situation on the date of the notice, EUR 0.31 per share), i.e. half of the profit of the financial year. The minority dividend must be distributed if shareholders with at least one tenth of all the shares in the Company so demand. A demand for minority dividend should have been made in the advance voting, and no separate demand or counterproposal was required to be made. The demand for minority dividend did not receive sufficient support and minority dividend will not be paid.

GREEN FINANCE FRAMEWORK

Green Finance Framework Overview

YIT is committed to creating sustainable living environments and moving towards a carbon-neutral and circular economy, while also observing the needs of people and the natural environment. In March 2021, YIT launched a Green Finance Framework which aims to mobilize debt capital to support achievements towards YIT's sustainability targets. YIT's Green Finance Framework is aligned with the Green Bond Principles published in 2018 by the International Capital Market Association ("ICMA") and the Green Loan Principles published by the European Loan Market Association.

The Green Finance Framework defines the investments eligible for financing by green debt instruments (the "Green Debt") issued by YIT. Processes for identifying, selecting and reporting on the eligible green projects, and the set-up for managing the Green Debt proceeds are also outlined in the Green Finance Framework. Green Debt may be issued in the format of (i) unsubordinated notes; (ii) subordinated notes; (iii) hybrid securities; and (iv) commercial paper. The Green Finance Framework could also be referenced to for other financial products such as loans and revolving credit facilities. The terms and conditions of the underlying documentation for each Green Debt instrument shall provide a reference to the Green Finance Framework.

CICERO Shades of Green AS has provided an independent second party opinion on the Green Finance Framework. CICERO is a widely used provider of second party opinions on green bond and/ or finance frameworks. CICERO's researchers and experts have been providing second party opinions to issuers worldwide since 2008. CICERO's second party opinions are graded Light Green, Medium Green or Dark Green. In CICERO's second party opinion, YIT's Green Finance Framework received a Light Green shading. Further, CICERO rated YIT's governance structure and processes with a "Good" rating (on a scale of "Fair" – "Good" – "Excellent"). Based on CICERO's review, YIT's Green Finance Framework was found to be in alignment with ICMA's Green Bond Principles.

Use of Proceeds

The amount of the proceeds from the issue of the Green Debt, less the costs and expenses incurred by the Issuer in connection with the issue of Green Debt, will be used in accordance with the Green Finance Framework for financing or refinancing, in whole or in part, investments undertaken by YIT or its subsidiaries or otherwise in accordance with the Green Finance Framework. The investments promote the transition towards a low-carbon, circular economy and other sustainability goals, in each case, as determined by YIT in accordance with the Green Project categories defined in the Green Finance Framework ("Green Projects"). Green Projects will form a portfolio of assets eligible for financing and refinancing by Green Debt. Green Debt net proceeds can finance both existing and new Green Projects financed by YIT or its subsidiaries. New financing is defined as the financing of Green Projects that will be completed or taken into use after the annual reporting date, and refinancing is defined as the financing of Green Projects completed or taken into use prior to the annual reporting date.

According to the Green Finance Framework, Green Projects categories are as follows:

- Green and energy efficient buildings
- Renewable energy
- Clean transportation and technologies
- Pollution prevention and control and protection of ecosystem services
- Climate change adaptation

Green Debt net proceeds will not be allocated to projects involving fossil energy production, fossil fuel infrastructure, nuclear energy generation, weapons and defence, potentially environmentally harmful resource extraction (such as rare-earth elements or fossil fuels), mining, gambling or tobacco.

Green Project Evaluation and Selection process

Green Projects shall comply with the eligibility criteria defined under the Green Project categories and YIT's stringent investment procedure that follows a gate model. The model builds on predefined tasks which need to be completed prior to advancing with the project to the next gate. This is ensured in YIT's process to evaluate, select and allocate Green Debt proceeds to eligible Green Projects. Sustainability experts and representatives within YIT evaluate potential Green Projects, their compliance with the Green Project categories, and their environmental benefits. A list of the potential Green Projects are then presented to YIT's Green Finance Committee. The Green Finance Committee is solely responsible for the decision to acknowledge the project as green, in line with the Green Project criteria, and include it in a dedicated "Green Register". The Green Finance Committee consists of the Chief Executive Officer, Executive Vice President, Urban Development, and the Chief Financial Officer. The Green Finance Committee makes decisions in consensus. The decisions made by the

Green Finance Committee will be documented and filed. The Green Finance Committee will convene every six months or when otherwise considered necessary.

Management of Proceeds

YIT will use a Green Register to track that an amount equal to the Green Debt net proceeds is allocated to Green Projects. The purpose of the Green Register is to ensure that Green Debt net proceeds only support the financing of Green Projects or to repay Green Debt. Unallocated Green Debt net proceeds may temporarily be placed in the liquidity reserve and managed accordingly by YIT.

Reporting and Transparency

YIT will annually and until maturity of the Green Debt issued, provide investors with a Green Finance Framework Impact Report describing the allocation of proceeds and the environmental impact of the Green Projects.

The allocation reporting will include the following information: (i) a summary of Green Debt developments; (ii) the outstanding amount of Green Debt issued; (iii) the balance of the Green Projects in the Green Register, any temporary investments, and the available headroom in the balance of the Green Register (if any); (iv) the total proportion of Green Debt net proceeds used for new financing and refinancing; and (v) the total aggregated proportion of Green Debt net proceeds used per Green Project Category.

The impact reporting aims to disclose the environmental impact of the Green Projects financed under the Green Finance Framework, based on YIT's financing share of each project. As YIT can finance a large number of smaller Green Projects in the same Project Category, impact reporting will, to some extent, be aggregated. The impact assessment is provided with the reservation that not all related data can be covered and that calculations therefore will be on a best effort basis e.g. if a Green Building is under construction but not yet operational, YIT will provide best estimates of future energy performance levels.

External Reviews

CICERO Shades of Green has provided a second party opinion to the Green Finance Framework verifying its credibility, impact and alignment with ICMA Green Bond Principles 2018 and the Green Loan Principles published by the European Loan Market Association. An independent verifier appointed by YIT will provide, on an annual basis, a statement that an amount equal to the Green Debt net proceeds has been allocated to Green Projects or to temporary holdings.

Available Documents

The Green Finance Framework and CICERO's second party opinion issued in March 2021 will be publicly available on YIT's website (www.yitgroup.com/en/investors) together with the annual statement from the independent verifier and the Green Finance Framework Impact Report once those have been published.

BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

General

Pursuant to the provisions of the Finnish Companies Act and the Articles of Association of YIT, the administration and management of YIT is divided between the shareholders, the Board of Directors and the President and CEO of YIT. YIT's Group Management Team assists the President and CEO in running YIT's operations.

The shareholders participate in supervision and control of YIT through passing resolutions in the General Meetings. The General Meetings are usually convened by the Board of Directors. In addition, a General Meeting shall be held if it is requested in writing by YIT's auditor or by shareholders representing no less than one tenth of all the shares issued by YIT.

The business address of the members of the Board of Directors, the President and CEO and the Group Management Team is c/o YIT Corporation, Panuntie 11, FI-00620 Helsinki, Finland.

In addition to laws and regulations in force at the time in question, the rules and recommendations of Nasdaq Helsinki and YIT's Articles of Association, YIT's governance complies without exceptions with the Finnish Corporate Governance Code 2020 issued by the Securities Market Association.

Board of Directors

The Board of Directors supervises and controls the management and operations of YIT. The duty of the Board of Directors is to promote the interests of all shareholders and the Group by seeing to the administration and proper organisation of operations.

The Board of Directors comprises of the Chairman and the Vice Chairman and 3 to 7 members elected by the Annual General Meeting of shareholders for one year at a time. The Articles of Association have no special provisions on the members of the Board of Directors. The majority of the members must be independent of YIT. In addition, it is required that at least two of such members are independent of the major shareholders of YIT. The President and CEO cannot be elected as the Chairman of the Board of Directors. Both genders must be represented on the Board of Directors.

The Board of Directors convenes regularly as summoned by the Chairman. A quorum is established when more than half of its members are present. An opinion supported by more than half of the members present becomes the decision. When the votes are even, the Chairman has the casting vote. The CEO as referendary and the Corporate General Counsel as secretary of the Board of Directors are present at the meetings of the Board of Directors. Other Group Management Team members and heads of business units and functions attend the meetings when necessary. The President and CEO and the secretary of the Board of Directors prepare the meetings with the Chairman of the Board of Directors and draw up the agendas. The President and CEO ensures that the Board of Directors is provided with sufficient information on matters such as the structure, operations, markets and competitive situation of YIT in order to carry out its tasks. The meeting agendas and materials are sent to the members of the Board of Directors in good time before the meeting.

The Board of Directors and its committees have ratified standing orders. The members of the Board of Directors evaluate the operations of the Board of Directors and its committees each year, and the results are taken into account in the Board of Directors' work and its development.

YIT's Annual General Meeting held on 18 March 2021 confirmed that the Board of Directors consists of the Chairman, Vice Chairman and six members. Harri-Pekka Kaukonen was re-elected as the Chairman of the Board of Directors, Eero Heliövaara re-elected as the Vice Chairman of the Board of Directors and Alexander Ehrnrooth, Frank Hyldmar, Olli-Petteri Lehtinen, Kristina Pentti-von Walzel, Barbara Topolska and Tiina Tuomela re-elected as members of the Board of Directors. The members of the Board of Directors are independent of YIT's major shareholders, with the exception of Alexander Ehrnrooth who is not independent of YIT's major shareholders. Alexander Ehrnrooth is the Chairman of the Board of Directors of Tercero Invest AB.

The table below presents the members of YIT's Board of Directors as at the date of this Registration Document:

| Name | Year of birth | Position | Board member since |
|----------------------------|----------------------|-----------------|---------------------------|
| Harri-Pekka Kaukonen | 1963 | Chairman | 2018 |
| Eero Heliövaara | 1956 | Vice Chairman | 2018 |
| Alexander Ehrnrooth | 1974 | Member | 2019 |
| Frank Hyldmar | 1961 | Member | 2019 |
| Olli-Petteri Lehtinen | 1960 | Member | 2018 |
| Kristina Pentti-von Walzel | 1978 | Member | 2018 |
| Barbara Topolska | 1966 | Member | 2019 |
| Tiina Tuomela | 1966 | Member | 2017 |

Harri-Pekka Kaukonen has been the Chairman of YIT's Board of Directors and the Personnel Committee since 2018 and a member of the Investment and Project Committee since 2019. Mr. Kaukonen serves currently as the Chairman of the

Board of Directors of Lindström Oy, Suomen Asuntoneuvoja Oy and Suomen VAKA-palvelut II Oy (Touhula varhaiskasvatus). In addition, he serves as a member of the Board of Directors of Ahlstrom-Munksjö Oyj, as a member of the Board of Directors and Chairman of the Audit and Risk Committee of TietoEVRY Oyj. Previously, Mr. Kaukonen has served as a member of the Board of Directors of Lemminkäinen Corporation. In addition, Mr. Kaukonen has served as the President and CEO of Sanoma Corporation in 2011–2015, in various executive positions at Oy Karl Fazer Ab in 2003–2011 and as a partner at McKinsey & Company, Inc. in 1999–2003. Mr. Kaukonen holds the degrees of Ph.D. (Computational material physics) and M.Sc. (Eng.). He is a Finnish citizen.

Eero Heliövaara has been the Vice Chairman of YIT's Board of Directors since 2018 and the Chairman of the Investment and Project Committee and a member of the Personnel Committee since 2019. Mr. Heliövaara serves currently as the Chairman of the Board of Directors of Sitowise Oy and as a member of the Board of Directors of CapMan Plc, Saastamoinen Foundation sr, Directors' Institute Finland and LymphaTouch Oy, as a member of Delegation of Finnish Foundation of Economic Education and as the Vice Chairman of the Board of Directors of the Foundation of the Finnish Cancer Institute. Mr. Heliövaara has served as the Director General in the Ownership Steering Department of Prime Minister's Office in 2013–2017, a Board Professional and an Angel Investor in 2010–2012, the President and CEO of SRV Group Plc in 2006–2009 and Pohjola Group Plc in 2001–2005, and the Executive Vice President and CIO of Ilmarinen Mutual Pension Insurance Company in 1998–2001. Mr. Heliövaara holds the degrees of M.Sc. (Eng.) and M.Sc. (Econ.). He is a Finnish citizen.

Alexander Ehrnrooth has been a member of YIT's Board of Directors, the Audit Committee, and the Investment and Project Committee since 2019. Mr. Ehrnrooth serves currently as the Chairman of the Board of Directors of Aleba Corporation, Belgrano Inversiones Oy and Nidoco AB, as a member of the Board of Directors of Ahlstrom-Munksjö Corporation and as a President and CEO and member of the Board of Directors of Virala Corporation. Previously, Mr. Ehrnrooth has served as a member of the Board of Directors of Wärtsilä Corporation in 2010–2015, Munksjö Corporation in 2014–2017, Ahlstrom Corporation in 2015–2017 and Fiskars Corporation in 2000–2018. Mr. Ehrnrooth holds the degrees of M.Sc. (Econ.) and MBA. He is a Finnish citizen.

Frank Hyldmar has been a member of YIT's Board of Directors and the Audit Committee since 2019. Mr. Hyldmar serves currently as the CEO of Currenta GmbH & Co. OHG. Previously, Mr. Hyldmar has served as the CEO of Techem GmbH in 2015–2019, the CEO of the Electricity and Smart Grid business division of Elster SE, London, Brussels, Raleigh and Mainz in 2006–2015 and the Executive Director Global Marketing and Sales in DHL Brüssel and Bonn in 2000–2006. Mr. Hyldmar holds the degree of M.Sc. (Econ.). He is a Danish citizen.

Olli-Petteri Lehtinen has been a member of YIT's Board of Directors since 2018 and the Chairman of the Audit Committee since 2019. Mr. Lehtinen serves currently as the Chairman of the Board of Directors of Nordic Trustee Oy, as a member of the Board of Directors and the Audit Committee of Aktia Bank plc, as a member of the Board of Directors of Are Oy and as a member of Directors' Institute Finland. Previously, Mr. Lehtinen has served as a Director of various positions in Nordea Bank group in Finland and Nordic Countries in 2001–2017. Mr. Lehtinen holds the degree of Master of Economics. He is a Finnish citizen.

Kristina Pentti-von Walzel has been a member of YIT's Board of Directors and the Audit Committee since 2018. Currently she serves as CEO and as the Chairman of the Board of Directors of Laponie Ltd, as a Vice Chairman of the Board of Directors of the Foundation for Economic Education and as a member of the Board of Directors of Libera Foundation. Previously, Pentti-von Walzel has served as a member of the Board of Directors of Lemminkäinen Corporation. In addition, she has served as an Executive Director of Libera Foundation in 2013–2015 and a Campaign Director of Svenska handelshögskolan in 2008–2011. Her work experience includes placements in the Ministry for Foreign Affairs of Finland as well as various positions in personnel management and the financial services industry for companies, such as Mandatum Stockbrokers Ltd and Fortum Corporation in 1999–2006. Ms. Pentti-von Walzel holds the degrees of M.Sc. (Econ.) and B.Sc. (Pol.Sc.). She is a Finnish citizen.

Barbara Topolska has been a member of YIT's Board of Directors and the Investment and Project Committee since 2019. Ms. Topolska serves currently as the General Director of CPI Property Group, Poland, as a member of International Council of Shopping Centres, as a Jury Member of ICSC Global Awards and as a partner of VRE LTD. Previously, Topolska has served as a Managing Director CEE in Multi Poland in 2016–2018, a Chief Operations Officer in Neinver SA, Madrid since 2012, a General Director in Neinver Poland, France and Germany in 2008–2012 and a General Director in Neinver Poland in 2003–2008. Ms. Topolska holds the degree of MBA. She is a Polish citizen.

Tiina Tuomela has been a member of YIT's Board of Directors since 2017 and a member of the Personnel Committee since 2018. Ms. Tuomela serves currently as the Executive Vice President of the Generation Division of Fortum Corporation. In addition, she is the Chairman of the Board of Directors of Teollisuuden Voima Oyj and Kemijoki Oy, a member of the Board of Directors of Finnish Energy and a member of the Supervisory Board of Uniper SE. Previously, Ms. Tuomela served as the Executive Vice President, Nuclear and Thermal Power Division of Fortum Corporation in 2014–2016, as the Vice President, Finance in Power Division of Fortum Power and Heat Oy in 2009–2014, as the Vice President, Business Control and Support, Generation Division of Fortum Power and Heat Oy in 2005–2009, as well as in several managerial

positions (business control, investments, strategy) at Fortum in 1990–2005. Ms. Tuomela holds the degrees of M.Sc. (Eng.) and MBA. She is a Finnish citizen.

Board Committees

General

The Board of Directors has three permanent committees: the Personnel Committee, the Audit Committee and the Investment and Project Committee.

The Board of Directors elects the members and Chairmen of the committees from among its members at its constitutional meeting following the Annual General Meeting. The committees have written standing orders ratified by the Board of Directors. The committees report to the Board of Directors on the matters dealt with by them and the required actions on a regular basis at the Board of Directors' meeting following each committee meeting.

In addition to the Personnel Committee, the Audit Committee and the Investment and Project Committee, the Board of Directors may appoint other permanent or temporary committees to focus on certain duties assigned by the Board of Directors. In addition to the permanent committees, the Board of Directors appointed the following three temporary committees in 2020: the Asset Management Committee, the Service Business Development Committee and the Working Committee. These committees supported the Board of Directors and the management in YIT's financial property management, service business model development, achievement of business continuity and strategic objectives and implementing changes.

Personnel Committee

The task of the Personnel Committee is to assist the Board of Directors in issues related to appointing and rewarding key personnel. Among other things, the Personnel Committee prepares proposals for the development of the Group's corporate culture and HR policy, remuneration and incentive schemes, the rules for performance-based bonuses and the performance-based bonuses paid to the management. In addition, identifying talents, the development of key personnel and planning for management successors fall under the preparation responsibility of the Committee. The Committee also prepares the remuneration policy and remuneration report for YIT's governing bodies.

The Committee convenes as necessary and when summoned by the Chairman. It has three to five members who all have knowledge of the Group's business operations and business segments as well as HR and remuneration-related matters. The majority of the members of the Personnel Committee must be independent of YIT. The President and CEO and other members of YIT's executive management cannot be members of the Personnel Committee. The Executive Vice President, Human Resources, acts as the secretary of the Personnel Committee.

As at the date of this Registration Document, the members of the Personnel Committee are Harri-Pekka Kaukonen (the Chairman), Eero Heliövaara and Tiina Tuomela.

Audit Committee

The Audit Committee assists the Board of Directors in the supervision of the Group's reporting and accounting processes. Its tasks include overseeing YIT's financial reporting process, the effectiveness of internal control, internal audit and risk management systems as well as monitoring and assessing the audit. The Committee participates in the preparation of the Group's financing policy, financing plan and financing arrangements. The Committee reviews YIT's financial statements, interim reports and half-year reports and monitors auditing. It evaluates compliance with laws and regulations and follows the Group's financial position.

The Committee convenes at least four times per year and more often if necessary. The Committee comprises of three to five members, the majority of whom must be independent of YIT, and at least one of the members must be independent of major shareholders. In order to be selected as a member of the Committee, a person must have extensive knowledge of the Group's business operations and business segments and possess the qualifications required by the Committee's sphere of duties and have experience with the mandatory tasks related to auditing. The Corporate General Counsel acts as the secretary of the Audit Committee.

As at the date of this Registration Document, the members of the Audit Committee are Olli-Petteri Lehtinen (the Chairman), Alexander Ehrnrooth, Frank Hyldmar and Kristina Pentti-von Walzel.

Investment and Project Committee

The main function of the Investment and Project Committee is to assist the Board of Directors by discussing and preparing, in accordance with the internal decision-making authorisations approved by the Board of Directors, significant contract tenders, property development projects, plot and area development project investments and divestments, acquisitions, disposals and equity investments, and to monitor the development, financial reporting and risk management of the respective portfolios.

The Committee convenes regularly, at least twice a year, and more frequently by separate invitation from the Chairman if deemed necessary in view of the matters discussed by the Committee. The Committee has three to five members who all have extensive knowledge of the Group's business operations and business segments and the competence required by the position. The majority of the members of the Committee must be independent of YIT and at least one of the members must be independent of significant shareholders. The Corporate General Counsel acts as the secretary of the Investment and Project Committee.

As at the date of this Registration Document, the members of the Investment and Project Committee are Eero Heliövaara (the Chairman), Alexander Ehrnrooth, Harri-Pekka Kaukonen and Barbara Topolska.

Shareholders' Nomination Board

The Annual General Meeting of YIT Corporation decided on 15 March 2016 to establish a Shareholders' Nomination Board for YIT to prepare proposals on the election and remuneration of the members of the Board of Directors for the Annual General Meeting. Moreover, the Annual General Meeting affirmed the standing order for the Shareholders' Nomination Board.

The Shareholders' Nomination Board is a body comprised of YIT's shareholders or their representatives, the duty of which is to, in accordance with the Board of Directors' diversity principles, prepare proposals on the election and remuneration of the members of the Board of Directors for the Annual General Meeting and, where necessary, for the Extraordinary General Meeting. The primary purpose of the Shareholders' Nomination Board is to ensure that the Board of Directors and its members have sufficient expertise, competence and experience in view of YIT's needs, and to prepare proposals, with justifications, on the election and remuneration of members of the Board of Directors to the Annual General Meeting for this purpose.

The Shareholders' Nomination Board comprises of YIT's three major shareholders or the representatives nominated by these shareholders. The right to nominate members to represent shareholders in accordance with the standing order rests with three shareholders who are registered in the shareholder register maintained by Euroclear Finland Oy or another operator on the last weekday of August in the year preceding the Annual General Meeting, and who hold the largest number of votes conferred by shares according to the shareholder register.

The Shareholders' Nomination Board has been established to serve until further notice. The term of office of the members of the Shareholders' Nomination Board ends at the appointment of new members every year.

The Shareholders' Nomination Board shall submit its proposal to YIT's Board of Directors every year, by the last weekday of January preceding the next Annual General Meeting. The proposals of the Shareholders' Nomination Board are published in a stock exchange release and included in the notice of meeting. Furthermore, the Shareholders' Nomination Board shall present and justify its proposals and give an account of its operations to the Annual General Meeting.

As at the date of this Registration Document, the members of the Shareholders' Nomination Board are Juhani Mäkinen, Counsellor of Law, shareholder group, Alexander Ehrnrooth, Chairman of the Board of Directors of Tercero Invest AB, shareholder group, and Risto Murto, President and CEO of Varma Mutual Pension Insurance Company.

President and CEO

The President and CEO attends to the day-to-day administration of YIT in accordance with the instructions and regulations laid down by the Board of Directors. The Board of Directors appoints and discharges the CEO and supervises the operations of the office. The Board of Directors also decides on the CEO's salary and fees and other terms of the service contract. The CEO ensures that YIT's accounting is carried out according to the law and asset management is organised reliably. YIT's President and CEO serves as Chairman of the Group Management Team.

Group Management Team

YIT's Group Management Team is the highest operational decision-making body and is responsible for allocating resources to the business segments. The Group Management Team is also responsible for assessing the performance of the business segments.

The President and CEO and other members appointed by the Board of Directors make up the Group Management Team. The President and CEO appoints the Group Management Team's secretary. The Group Management Team, which meets on a regular basis, approximately once a month, assists the Group CEO with operational planning and management and prepares matters that are to be processed by the Board of Directors. Among other duties, the Group Management Team formulates and coordinates the Group's strategic and annual planning, supervises the implementation of plans and financial reporting and prepares significant investments, mergers and acquisitions. The development of the Group's internal co-operation and the promotion of joint development projects are among the Group Management Team's key duties. The President and CEO is responsible for the decisions made by the Group Management Team. The task of the members of the Group Management Team is to implement the decisions in their respective areas of responsibility.

The table below presents the members of YIT's Group Management Team as at the date of this Registration Document:

| Name | Year of Birth | Position | Group Management Team member since |
|--------------------|----------------------|---|---|
| Antti Inkilä | 1969 | Interim President and CEO, Chairman of the Group Management Team | 2015 ¹ |
| Ilkka Salonen | 1965 | CFO, Deputy to President and CEO | 2018 |
| Tom Ekman | 1972 | Executive Vice President, Business Premises segment | 2020 |
| Teemu Helppolainen | 1962 | Executive Vice President, Housing Russia segment | 2013 |
| Marko Oinas | 1971 | Interim Executive Vice President, Housing Finland and CEE segment | 2020 |
| Harri Kailasalo | 1969 | Executive Vice President, Infrastructure Projects segment | 2018 |
| Juha Kostiainen | 1965 | Executive Vice President, Urban Development | 2016 |
| Timo Lehmus | 1959 | Interim Executive Vice President, Partnership Properties segment | 2020 |
| Juhani Nummi | 1967 | Executive Vice President, Operations development | 2013 |
| Pii Raulo | 1967 | Executive Vice President, Human Resources | 2011 |

¹Interim President and CEO since 2020 and a member of YIT's Group Management Team since 2015. On 21 December 2020 the Board of Directors appointed Markku Moilanen Ph.D., (Tech), (born 1961) as the new President and CEO. Mr. Moilanen will commence in his position on 1 April 2021.

Antti Inkilä has been a member of YIT's Group Management Team since 2015, and he has served as the Interim President and CEO of YIT and the Chairman of the Group Management Team since 2020. Mr. Inkilä serves currently as a member of election Board of the Confederation of Finnish Construction Industries RT House Construction, as the Chairman of the Board of Directors of several subsidiaries of YIT and as the CEO of YIT Finland Ltd. Previously, Mr. Inkilä served in YIT as the Head of the Housing Finland and CEE segment in 2015–2020 and in YIT Construction as the Head of the Apartment Houses Metropolitan Area unit in 2008–2014. Mr. Inkilä has also served as the Head of Business Unit, Asuintalot Uusimaa in 2008, the Chief of Developer Contracting of Apartment Houses Metropolitan Area in 2006–2008, the Production Manager of Apartment Houses Metropolitan Area and in various positions at YIT Construction Ltd since 1994. Mr. Inkilä holds the degree of M.Sc. (Tech.). He is a Finnish citizen.

Ilkka Salonen has been a member of YIT's Group Management Team, the CFO and the Deputy to President and CEO since 2018. Mr. Salonen serves currently as a member of the Board of Directors and Chairman of the Audit Committee of the Board of Directors of Metsäliitto Cooperative, as a Deputy member of the Board of Directors of the East Office of Finnish Industries Oy and as a member of the Board of Directors of several subsidiaries of YIT. Previously, Mr. Salonen served as CFO of Lemminkäinen Corporation in 2014–2018, as a Director and Advisor to the Board of Directors of Forest BtL Oy in 2013, CFO of Neste Oil in 2009–2012, Pohjola Bank in 2006–2008 and Pohjola Group Oyj in 2003–2005. Previously, Mr. Salonen has also served as the CFO and Deputy CEO of Comptel Oyj in 2001–2003 and Corporate Planning Director and Executive Vice President in Comptel Oy in 2000–2001. He has also acted as an Analyst at Handelsbanken in 1997–2000 and Postipankki (currently Danske Bank Plc) in 1994–1997. Mr. Salonen holds the degree of M.Sc. (Econ.). He is a Finnish citizen.

Tom Ekman has been a member of YIT's Group Management Team and the Executive Vice President, Business Premises segment since 2020. Mr. Ekman serves currently as a member of the Board of Directors of Regenero Oy. Previously, Mr. Ekman served as Head of the Building construction, Northern Finland division of YIT Finland Ltd in 2018–2020 and Lemminkäinen Talo Oy's Director of Western Finland in 2013–2014 and rest of Finland in 2014–2018, Director of Contracting and production in 2012 and Managing Director of Western Finland in 2010–2011. He has also acted as the Managing Director of Oy Konte Ab in 2009–2010, a Technical Director in 2005–2008 and a Planning Manager in 2000–2005. Mr. Ekman holds the degree of M.Sc. (Tech.). He is a Finnish citizen.

Teemu Helppolainen has served as a member of YIT's Group Management Team since 2013 and the Executive Vice President, Housing Russia segment since 2018. He serves currently as a member of the Board of Directors of East Office of Finnish Industries Oy. Mr. Helppolainen has served in YIT as the Head of the Housing Russia segment since 2015. Previously, Helppolainen has served as the Head of business area Russia in 2014, as the Senior Vice President, International Construction Services, Moscow and Russian Regions in 2009–2014 and as the Senior Vice President, Moscow Region in 2008–2009. In addition, Mr. Helppolainen has served as a Director in Raisio Nutrition Ltd: Russian and Ukrainian operations in 2005–2008. Mr. Helppolainen holds the degree of M.Sc. (Econ.). He is a Finnish citizen.

Marko Oinas has served as a member of YIT's Group Management Team and Interim Executive Vice President, Housing Finland and CEE segment since 2020. Previously, Mr. Oinas served in YIT as the Vice President, Strategy & Development, Housing Finland and CEE segment in 2018–2020, as the Senior Vice President, Business Development, Housing Finland and CEE segment in 2014–2016 and YIT Construction Ltd's Vice President, YIT Plus and Housing Concepts in 2014–2016, Vice President, B2B Tenant Sales and customerships in 2013–2014 and Vice President, Leisure Housing & Concepts in 2005–2013. In addition, Mr. Oinas worked for YIT in various positions in 1990–2005. Mr. Oinas holds the degree of M.Sc. (Civil engineering). He is a Finnish citizen.

Harri Kailasalo has been a member of YIT's Group Management Team and the Executive Vice President, Infrastructure Projects segment since 2018. Mr. Kailasalo serves currently as a member of the Supervisory Board of Ilmarinen Mutual

Pension Insurance Company. Previously, Mr. Kailasalo served as the Executive Vice President of Infra Projects of Lemminkäinen in 2012–2018, as the Senior Vice President of Business Operations in 2011 in Lemminkäinen Infra Oy and as Senior Vice President of Civil Engineering in 2009–2011 in Lemminkäinen Infra Oy. He has served in Lemminkäinen Infra Oy/Lemcon Ltd. as the Construction Manager of Civil Engineering in 2000–2009. In addition, he has served in Lemcon Ltd. as the Production Manager of Civil Engineering in 1998–2000. Mr. Kailasalo holds the degrees of M.Sc. (Eng.) and eMBA. He is a Finnish citizen.

Juha Kostiainen has been a member of YIT's Group Management Team since 2016 and the Executive Vice President, Urban Development since 2018. Mr. Kostiainen is currently a member of the Management Board of the New Energy Programme of Academy of Finland, the Chairman of the Board of Directors of Regenero Oy, a member of the Board of European International Contractors, Projekti GH Oy and Tyrsky Consulting Ltd. In addition, Mr. Kostiainen is Adjunct professor of strategic urban development at the University of Tampere. Previously, Mr. Kostiainen served in YIT Corporation as the Senior Vice President, Sustainable Urban Development in 2016–2017 and Senior Vice President, Urban Development and Corporate Relations in 2012–2016. Mr. Kostiainen was also member of YIT's Group Management Team in 2012. Mr. Kostiainen has served in Finnish Innovation Fund Sitra as a Director responsible for communications and public affairs in 2012, a Programme Director in 2009–2011 and a Business Director in 2009. Mr. Kostiainen has also served in YIT as the Senior Vice President, Corporate Communications and Business Development in 2007–2008, the Vice President, Business Development in 2005–2007 and the Vice President, Corporate Planning 2003–2005. In addition, he served in YIT Construction as a Development Manager in 2001–2003 and as a Business Sector Manager of City of Tampere in 1997–2001. Mr. Kostiainen holds the degrees of M.Sc. (Tech) and D.Sc. (Adm.). He is a Finnish citizen.

Timo Lehmus has served as a member of YIT's Group Management Team and as the Interim Executive Vice President, Partnership properties segment since 2020. Mr. Lehmus serves currently as the Chairman of the Board of Directors of Campus Marian Kehitys Oy and as a member of the Board of Directors of Kumppanuuskoulut Oy, Regenero Oy and Nuuka Solutions Oy. Previously, Mr. Lehmus served as YIT's Senior Vice President, Project development, Business premises in 2018–2020 and Interim Senior Vice President, Business premises and Infra services segment in 2017–2018 and YIT Construction Ltd's Senior Vice President, Head of division of own based development, Business Premises in 2014–2018, Senior Vice President, Business Premises in 2008–2014 and Senior Vice President, Head of International construction in 2005–2007. In addition, Mr. Lehmus worked for YIT in various positions in 1989–2005. Mr. Lehmus holds the degrees of M.Sc. (Tech) and EMBA. He is a Finnish citizen.

Juhani Nummi has been a member of YIT's Group Management Team since 2013 and the Executive Vice President, Operations development since 2018. Previously, Mr. Nummi served as the Senior Vice President, Business Development in 2013–2018, YIT Construction Ltd's Senior Vice President, Business Development, Construction Services Finland in 2006–2013 and Development Manager in 2003–2006. In addition, Mr. Nummi served in Proha Oy / Artemis Finland Ltd as a Product Manager in 2001–2003. Mr. Nummi holds the degree of M.Sc. (Eng.). He is a Finnish citizen.

Pii Raulo has been a member of YIT's Group Management Team since 2011 and the Executive Vice President, Human Resources since 2018. Previously, Ms. Raulo served as YIT Corporation's Senior Vice President, Human Resources in 2011–2018, HR Director of YIT Construction Services Finland in 2008–2011 and HR manager in 2004–2007. In addition, Ms. Raulo served in McKinsey & Company as a Manager of Administration in 1997–2004. Ms. Raulo holds the degree of M.Sc. (Econ.). She is a Finnish citizen.

Conflicts of Interests

The provisions regarding the conflicts of interest of the management are set forth in the Finnish Companies Act. Pursuant to Section 4 of Chapter 6 of the Finnish Companies Act, the members of the Board of Directors or the CEO may not participate in the handling of a contract between them and YIT. Pursuant to Section 4(a) of Chapter 6 of the Finnish Companies Act, a member of the Board of Directors of a publicly listed company may not participate, in the Board of Directors of the company or of its subsidiary, in the handling of a matter pertaining to a contract between the company and a third party, should the member in question be related to them and the action in question does not fall within the ordinary course of business of the company or is not concluded on normal commercial terms. A decision concerning such a matter is valid if it is supported by the required majority of those board members of the publicly listed company or its Finnish subsidiary who are not considered related parties to the matter at hand. The President and CEO is subject to the above-mentioned provisions related to the incapacity of a member of the Board of Directors of a public listed company in the decision-making of its subsidiary. What is stated above regarding the agreement is also applicable to other legal acts and legal proceedings, and to the exercise of the right to speak. The Finnish Companies Act contains no provisions on the conflicts of interest of the members of the management team.

To the knowledge of YIT, notwithstanding any shares they hold directly or indirectly in YIT, the members of the Board of Directors, the President and CEO, and the members of the Group Management Team do not have any conflicts of interest between their duties to YIT and their private interests and/or their other duties. There are no family relationships between the members of YIT's Board of Directors or the members of its Group Management Team.

Auditors

Pursuant to Article 7 of YIT's Articles of Association, YIT shall have one auditor that shall be an approved auditing firm. The term of the Auditor of YIT shall cover the current financial year at the time of election and expire at the end of the next Annual General Meeting of Shareholders following the election.

The consolidated financial statements as at and for the year ended 31 December 2020 have been audited by PricewaterhouseCoopers Oy, Authorised Public Accountants, and have been incorporated by reference into this Registration Document. Authorised Public Accountant Markku Katajisto acted as the principal auditor in the financial year ended 31 December 2020. Markku Katajisto is registered in the register of auditors referred in Section 9 of Chapter 6 of the Auditing Act (1141/2015, as amended).

For the financial year 2021, YIT's Annual General Meeting held on 18 March 2021 elected PricewaterhouseCoopers Oy, Authorised Public Accountants, as the Company's auditor, with Samuli Perälä, Authorised Public Accountant, as the auditor with principal responsibility. Samuli Perälä is registered in the register of auditors referred in Section 9 of Chapter 6 of the Auditing Act (1141/2015, as amended).

SHARE CAPITAL AND OWNERSHIP STRUCTURE

As at the date of this Registration Document, YIT's share capital amounts to EUR 149,716,748.22 and the total number of shares in the Issuer is 211,099,853. As at 31 December 2020, the Issuer held 2,016,297 of its own shares. The shares in the Issuer have no nominal value. The Issuer has one series of shares with ISIN code FI0009800643. The Issuer's shares are listed on Nasdaq Helsinki. All shares carry one vote and have equal voting rights at the General Meetings of Shareholders. The trading code of the shares in the Issuer is YIT on Nasdaq Helsinki. The shares are issued under Finnish law.

The following table sets forth the five largest shareholders of YIT that appeared on the shareholder register maintained by Euroclear Finland Oy as at 31 December 2020:

| | Number of shares | Percent of shares and votes |
|--|-----------------------------|--|
| Tercero Invest AB | 24,650,000 | 11.68 |
| Varma Mutual Pension Insurance Company | 15,945,975 | 7.55 |
| PNT Group Oy | 15,296,799 | 7.25 |
| Conficap Oy | 8,886,302 | 4.21 |
| Pentti Heikki Oskari Estate | 8,146,215 | 3.86 |
| Other shareholders | 138,174,562 | 65.45 |
| Total | 211,099,853 | 100.00 |

To the extent known to YIT, YIT is not, directly or indirectly, owned or controlled by any one person and YIT is not aware of any arrangement, relating to YIT's ownership the operation of which may result in a change of control of YIT.

ADDITIONAL INFORMATION

No Significant Change in the Issuer's Financial Performance or Position

There has been no significant change in the Issuer's financial performance or position since 31 December 2020, which is the end of the last financial period for which audited financial statements has been published.

No Material Adverse Change in the Company's Prospects

There has been no material adverse change in the prospects of the Issuer since 31 December 2020, the last day of the financial period in respect of which the most recently audited financial statements of the Company have been prepared.

Documents on Display

For the term of validity of this Registration Document, the articles of association and the Company's annual consolidated financial statements as at and for the year ended 31 December 2020 are available for viewing at the registered office of the Company located at Panuntie 11, FI-00620 Helsinki, Finland, on weekdays during normal business hours as well as on the Company's website at www.yitgroup.com/en/corporate-governance and www.yitgroup.com/en/investors, respectively.

DOCUMENTS INCORPORATED BY REFERENCE INTO THIS REGISTRATION DOCUMENT

The following documents have been incorporated by reference into this Registration Document and form part of the Registration Document by reference. The documents incorporated by reference are available on the internet at www.yitgroup.com/siteassets/investors/annual-reports/2020/yit_vuosikatsaus_2020_eng.pdf and at the registered office of the Company located at Panuntie 11, FI-00620 Helsinki, Finland, on weekdays during normal business hours:

- YIT's Board of Directors' report, audited consolidated financial statements, audited parent company financial statements as at and for the year ended 31 December 2020, and the auditor's report thereto (included on pages 4 to 132 of the Company's Annual Review 2020).