Q4

YIT Corporation
Financial Statements Bulletin 1–12/2024

Table of contents

Financial Statements Bulletin January–December 2024

Apartment sales and new apartment starts increased towards the end of the year

Fourth quarter of 2024 in brief

- Order book at the end of the period increased to EUR 2,941 million (30 Sep 2024: 2,736). At the end of the period, 79% of the order book was sold (30 Sep 2024: 77%).
- Revenue decreased to EUR 521 million (597).
- Operating profit for the period decreased to EUR -17 million (33).
- Adjusted operating profit remained stable at EUR 13 million (13). Adjusted operating profit margin increased to 2.6% (2.2).
- Operating cash flow after investments increased to EUR 114 million (67).
- Net interest-bearing debt decreased to EUR 680 million (795), and gearing to 88% (94) at the end of the period.
- In Housing, adjusted operating profit decreased to EUR 12 million (15). Consumer apartment sales increased in both Finland and the Baltic and CEE countries. In Finland, consumer apartment sales increased to 174 (122) apartments and in the Baltic and CEE countries to 300 (220) apartments in the fourth quarter. Consumer apartment starts increased to 222 (204), out of which 160 (30) were in Finland, and 62 (174) in the Baltic and CEE countries. The number of unsold completed apartments decreased to 981 (30 Sep 2024: 1,048) in total, out of which 700 (30 Sep 2024: 771) were located in Finland and 281 (30 Sep 2024: 277) in the Baltic and CEE countries.
- In Business Premises, adjusted operating profit increased to EUR 2 million (-4).
- In Infrastructure, adjusted operating profit decreased to EUR 6 million (9).
- Result for the period was EUR -39 million (17).

Year 2024 in brief

- Revenue decreased to EUR 1,820 million (2,163).
- Operating profit for the period decreased to EUR -55 million (51).
- Adjusted operating profit decreased to EUR 32 million (41), increasing in Infrastructure and Business Premises and decreasing in Housing. The adjusted operating profit margin was 1.7% (1.9).
- Operating cash flow after investments increased to EUR 110 million (-137).
- In Housing, adjusted operating profit decreased to EUR 17 million (32), mainly attributable to the decrease in adjusted operating profit in Housing Finland. Consumer apartment sales increased in both Finland and the Baltic and CEE countries in 2024. In Finland, consumer apartment sales increased to 589 (419) apartments and in the Baltic and CEE countries to 986 (767) apartments. Consumer apartment starts in 2024 increased to 943 (863), of which 160 (91) were in Finland, and 783 (772) in the Baltic and CEE countries.
- In Business Premises, adjusted operating profit increased to EUR 3 million (0).
- In Infrastructure, adjusted operating profit increased to EUR 17 million (14), supported by the steady performance of the projects in Finland.
- Result for the period was EUR -112 million (3), impacted by EUR 45 (17) million costs from closing down the operations in Norway and Sweden and by EUR 54 (19) million pre-tax costs from the transformation program in 2024.
- YIT's Board of Directors has decided, that it will not propose dividend to be distributed based on the balance sheet to be adopted for 2024.
- YIT's transformation program was finalized at the end of 2024. The annualized inflation-adjusted run-rate cost savings achieved with the program exceeded the target of EUR 40 million set for the program and were EUR 43 million. YIT continues to seek further savings and efficiencies. Transformation program costs for the program altogether were EUR 73 million. Program costs are recorded in operating profit adjusting items.

Key figures

EUR million	10–12/24	10–12/23	1–12/24	1–12/23
Revenue	521	597	1,820	2,163
Operating profit	-17	33	-55	51
Operating profit, %	-3.3	5.5	-3.0	2.4
Adjusted operating profit	13	13	32	41
Adjusted operating profit margin, %	2.6	2.2	1.7	1.9
Result before taxes	-33	13	-118	-5
Result for the period	-39	17	-112	3
Earnings per share, EUR	-0.18	0.08	-0.51	-0.01
Operating cash flow after investments	114	67	110	-137
Net interest-bearing debt	680	795	680	795
Gearing ratio, %	88	94	88	94
Equity ratio, %	34	33	34	33
Return on capital employed, % (ROCE, rolling 12 months)	2.1	2.5	2.1	2.5
Order book	2,941	3,157	2,941	3,157
Combined lost time injury frequency (cLTIF, rolling 12 months)	9.6	12.1	9.6	12.1
Customer satisfaction rate (NPS)	57	52	57	52

Unless otherwise noted, the figures in brackets in this report refer to the corresponding period in the previous year.

Comments from the President and CEO, Heikki Vuorenmaa

Adjusted operating profit for 2024 was EUR 32 million (41), and our operating profit for the year weakened to EUR -55 million (51). Despite our achievements this year, we cannot be satisfied with the fact that the full-year result was negative. During the year, we continued measures to execute our transformation program including closing down our operations in Sweden and Norway, which burdened our operating profit heavily. However, these measures have been critical for building YIT's long-term competitiveness.

We made strong progress in our apartment sales in all our operating countries in the fourth quarter of 2024. In the Baltic and CEE countries, fourth quarter consumer apartment sales was the highest quarterly apartment sales in three years. In Finland, the increasing trend in apartment sales continued supported by December, which was the best sales month of the year. Overall, consumer apartment sales increased by more than 30% in 2024. The stock of unsold completed apartments continues to decline and is expected to reach normal levels during 2025.

In 2024, we sold nearly 600 consumer apartments in Finland, despite the challenging market conditions. Towards the end of the year, we started four new projects in selected cities in Finland, supported by regional market demand. However, overall low production volumes and the low number of apartment completions will limit the Residential Finland segment's capability to generate profit in 2025.

Our residential business operations in the Baltic and CEE countries continue on a solid track. Both our apartment sales and revenue grew substantially throughout the year as market conditions improved. Production reached new levels, and apartment starts increased altogether by over 50% during the year. This forms a solid foundation for achieving our strategic objectives in the coming years.

In the infrastructure business, key indicators showed positive trends in 2024. Over the year, the Finnish operations increased their revenue, adjusted operating profit and order book, along with a reduction in capital employed to negative, in alignment with the strategic goals. With a strong order book, the Infrastructure segment begins 2025 from a solid position.

The Building Construction segment is renewing its business model and refocusing on selected customer segments. The segment's operational performance improved in 2024, while balance sheet items burdened the profitability. The segment's operational performance is expected to continue improving.

Our newly announced strategy for 2025–2029 aims at enhancing our resilience and ensuring successful performance in all market conditions. In December, we secured contracts worth over EUR 300 million consistent with the strategy, including data center and industrial construction operations.

Our customer satisfaction increased in 2024 with our NPS increasing from 52 to 57. I want to express my gratitude to our customers in all our businesses for their loyalty and good collaboration during the year. We will continue to collaborate closely with our customers to develop optimal solutions together.

We met the targets set for our transformation program ahead of schedule, achieving cost efficiencies, reorganizing financing and improving our financial position. Net debt decreased by EUR 115 million compared to the previous year, and we will continue to release capital in the coming years. I am especially pleased with the strong cash flow in the year's final quarter.

The completed transformation program simplified our operating model. Investments in strategic capabilities, continuous improvement and leadership excellence are supporting the shift to our desired organization culture. Consequently, our employee NPS improved from 20 to 30 compared to previous year, and we remained the number one employer for students and professionals in the construction industry in Finland. We are building our success on our versatile and skilled professionals. Engaged and empowered personnel will continue to be the company's most important asset also in the future.

We remain realistic about Finnish residential market recovery. Market indicators are showing more positive trends, and we have initiated new residential projects to meet the demand in selected cities. Nonetheless, there are no definitive signs of a strong recovery in the Finnish residential construction market in 2025. We remain confident in our capabilities and will continue to drive robust growth in segments where the market conditions are favorable. At the same time, we will focus on achieving our strategic objectives for 2025 and 2026, aimed at building a stronger and more competitive YIT.

Heikki Vuorenmaa
President and CEO

Guidance and outlook for 2025

Guidance for 2025

YIT expects its Group adjusted operating profit for continuing operations to be EUR 20-60 million in 2025.

Outlook for 2025

The residential market in the Baltic countries and Central Eastern Europe is expected to continue favorable, contributing positively to Residential CEE segment's capability to generate profit. Timing of the residential project completions may deviate from the original estimates leading to revenue and profit recognition shifting from one quarter or a year to another.

In Finland, the primary apartment market sales volumes are expected to slightly increase during 2025. In Residential Finland segment, low amount of completions during 2025 will limit the segment's capability to generate profit.

In Building Construction, the operational performance is expected to improve. Actions to release capital may have an impact on the segment’s profit.

In Infrastructure, the operational performance is expected to remain stable.

Changes in the macroeconomic environment, especially in interest rates, may impact the residential market demand and the fair value of investments. The escalation of geopolitical risks reflected in general uncertainty and demand could have a negative impact on the company’s financial position.

Market environment

Residential market

Despite the historically low cost of housing in relation to consumers' disposable income in Finland, consumer demand remained low. The primary apartment market sales volumes are expected to slightly increase during 2025. The decreased interest rates and increased consumer purchasing power are expected to have a positive effect on demand, but the overall market recovery is expected to be slow. In the investor market, the activity levels are low and the timing of the recovery remains uncertain.

In the Baltic and Central Eastern European countries, inflation has slowed down and the interest rates have continued to decrease. The overall market environment in the Baltic and Central Eastern European countries is normal and the market continues to improve.

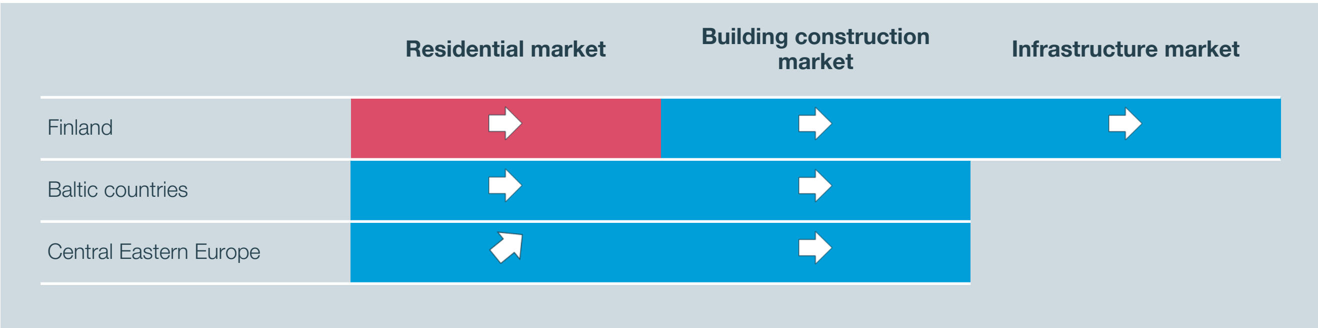
Building construction market

In Finland, demand remained moderate but low market confidence in general is slowing down customers' decision making, especially in the private sector. Activity in data centers and industrial projects is expected to increase in the coming years, driven by the green transition. Private renovation market has shown early signs of improvement driven by the energy efficiency demands. The competition for new projects is intense as a result of the overall decline in construction volumes. In the investor market, the low availability of financing and increased financing costs and yields have decreased activity levels in transactions and new developments.

In the Baltic and Central Eastern European countries, overall demand and market activity remained stable, especially supported by private-sector demand for new industrial premises and defense sector investments in certain countries. New project starts are facing challenges due to the low availability of financing and increased financing costs and yield requirements.

Infrastructure market

In Finland, the public-sector demand in infrastructure is expected to remain at a relatively stable level, with many investments currently in the design phase including defense sector investments. Private-sector demand is driven by industrial construction and the transition to renewable energy. Lower construction volumes in residential construction are reflected in the demand for earthworks and foundation construction. However, the long-term outlook for the overall infrastructure market is positive. The development span of infrastructure projects is relatively long, and changes in the market environment may lead to postponements of upcoming projects.



Q4 market environment

Good Normal Weak

Short-term market outlook

Improving Stable Weakening

Strategy

Transformation program

YIT launched a transformation program in February 2023. The purpose of the program was to increase agility and strengthen customer focus, improve competitiveness, generate efficiency gains, achieve cost savings and release capital. The program was completed in 2024.

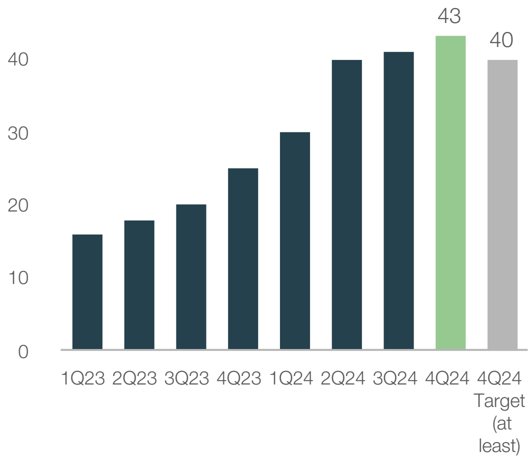
The annualized run-rate cost savings target of EUR 40 million for the program was achieved ahead of schedule and by the end of December 2024, YIT reached EUR 43 million of savings. Savings have been achieved by streamlining the organization and reducing IT and premises costs, for example. YIT continues to seek further savings and efficiencies.

In addition to the cost savings, YIT has achieved a significant amount of project-related and capital efficiency gains. Competitiveness has improved by increasing efficiency in procurement, project management and productivity. YIT has changed the procurement model from project-level procurement to selective and partner-based cooperation, gaining savings by utilizing YIT’s and partners’ combined knowledge. To reduce project management risks, an emphasis has been placed on project management training and supporting the starting projects in the early phases. Productivity development measures have focused on shortening the construction time and improving site coordination.

In June 2023, YIT estimated that as part of the transformation program, the company had the potential to release approximately EUR 400 million in capital, excluding current assets such as self-developed projects, unsold apartments and land plots. During the program, YIT released approximately EUR 140 million of the stated potential. YIT will continue to evaluate alternatives for releasing capital going forward, including YIT's share of the Tripla Mall Ky, considering the market situation. The actions to improve net working capital will also continue.

Transformation program costs for the program altogether were EUR 73 million. Program costs are recorded in operating profit adjusting items.

Cumulative annualized cost savings secured from the transformation program (EURm)



Strategy 2025-2029

YIT published a new strategy for 2025-2029 in November 2024. The efforts of the previous strategy to focus operations and the benefits of the transformation program completed in 2024 set the basis for the new strategy period. With the new strategy, YIT improves its resilience over the next five years and provides value creation to all its stakeholders.

YIT’s strategic priorities for the strategy period 2025-2029 are:

- to deliver industry-leading productivity and financial performance
- to generate targeted growth and resilience, and
- to elevate customer and employee experience.

Industry-leading productivity and financial performance will be delivered by focusing on solid project and cost management, construction lead-time reductions on projects, dynamic pricing models for consumers and developing YIT towards more data, technology and process-led organization. Moreover, significant benefits are expected to be materialized from the efficiency actions already implemented or initiated as a part of the transformation program completed in 2024.

YIT aims to generate targeted growth and resilience from its current business portfolio by targeting a more balanced geographical revenue distribution and focusing on businesses providing the greatest potential for profitable, capital-efficient growth.

To elevate customer and employee experience, YIT aims to build strong differentiation through delivering projects with industry-leading total customer value. In addition, to complement the strategic priority to become more data, technology and process-led organization, YIT will focus on fostering its company culture, strategic capabilities and attracting the best talent. Moreover, the company is aiming to take a step change in work safety to demonstrate YIT’s uncompromising commitment to continuous improvement in this focus area.

Financial targets

YIT will assess the success of its strategy with the following group financial targets to be reached by the end of 2029.

- Adjusted operating profit margin at least 7%
- Return on capital employed at least 15%
- Net sales growth of at least 5%, with the compound annual growth rate (CAGR) based on year 2024.

In addition, YIT will introduce a financial framework and non-financial targets for the strategy period.

Financial framework:

- Dividend payout ratio at least 50%, subject to fulfillment of certain conditions in current financial agreements
- Net debt to equity in the range of 30-70% over the cycle.

Non-financial targets:

- Maintain high customer NPS level of over 50 across the operations
- Employee NPS at least 50
- Combined lost time injury frequency (cLTIF) below 5 in all operations
- SBTi commitment implemented by 2030 (scope 1 & 2 CO2 -90% and scope 3 -30%).

The targets set for the strategy period include an assumption of the Finnish residential market recovering to a historical average level during the period. YIT's view of 2010-2020 average self-developed multi-family residential starts in Finland is approximately 16,000 apartments per year.

New segment structure

In accordance with the new strategy, YIT changed its segment structure from the beginning of year 2025 to ensure and support the creation of targeted growth and resilience. From the beginning of 2025, YIT has four operating segments. The segments and their financial targets to be achieved by the end of 2029 are:

Residential Finland, focusing on residential development and construction in Finnish growth centers for consumers and investors. In the strategy period, the segment continues to seek operational efficiencies and build readiness to capture market share when market recovery in the Finnish housing market starts.

- Target is to gain market share, achieve at least 10% adjusted operating margin, and at least 20% return on capital employed.

Residential CEE, focusing on residential development and construction for consumers and investors in growth areas in CEE countries (Poland, Slovakia, Czech Republic, Estonia, Lithuania and Latvia) where the plan is to achieve significant growth during the strategy period.

- Target is to achieve at least 15% annual growth, at least 15% adjusted operating margin, and at least 25% return on capital employed.

Building Construction, focusing on contracting and selective development of commercial premises in Finland and in CEE countries for public sector and investor clients. In the strategy period, the segment will target growing industry sector investments, growing its own capabilities in building technology and focusing on growth in CEE countries.

- Target is to achieve at least 2% annual growth, at least 6% adjusted operating profit margin and to continuously operate with negative capital employed.

Infrastructure focusing on infrastructure construction in Finland for public sector and private industrial clients. In the strategy period, growth in the segment will be mainly driven by energy and industrial construction, rail infrastructure and defense sector.

- Target is to achieve at least 5% annual growth, at least 6% adjusted operating margin and to continuously operate with negative capital employed.

Safety development

YIT's strategy for 2025-2029 sets a target for a combined lost time injury frequency (cLTIF) of below 5 in all operations. YIT's combined lost time injury frequency improved to 9.6 (12.1) in the fourth quarter of 2024. Lost time injury frequency improved compared to both the previous quarter and the comparison period. YIT has worked systematically to increase the number of observations, and to promote low-threshold intervention, feedback and employee well-being enhancing the strategic importance of work safety.

Results

October–December

YIT's order book increased from the previous quarter to EUR 2,941 million (30 Sep 2024: 2,736). At the end of the quarter, 79% of the order book was sold (30 Sep 2024: 77%).

YIT's revenue decreased from the comparison period to EUR 521 million (597). Revenue decreased in all segments.

Adjusted operating profit for the quarter remained stable at EUR 13 million (13). Adjusted operating profit margin increased to 2.6% (2.2). Adjusted operating profit increased in Business Premises and decreased in Housing and Infrastructure segments in the fourth quarter.

YIT's operating profit was EUR -17 million (33). Adjusting items were EUR 31 million in the fourth quarter (-20), mainly related to the costs of the transformation program and operating profit from operations to be closed down in Sweden. The adjusting items in the comparison period were mainly related to the gain on sale of the renewable energy development portfolio, operating profit from operations to be closed down in Sweden and the costs of the transformation program. Net finance costs decreased to EUR 15 million (20) year-on-year. The result for the period was EUR -39 million (17).

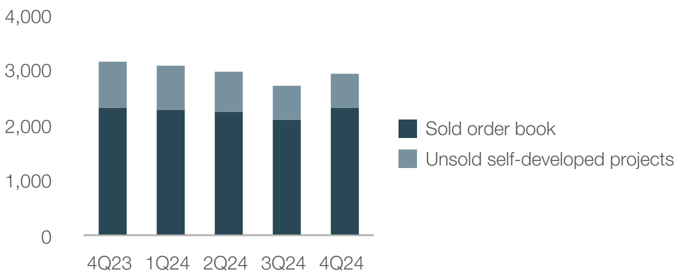
January–December

YIT's revenue decreased to EUR 1,820 million (2,163). Revenue decreased in all segments. In Housing, revenue decreased in Finland and increased in the Baltic and CEE countries. In Business Premises the comparison period was supported by the sale of the Maistraatinportti office property. In Infrastructure, revenue increased in Finland but declined overall due to a decrease in revenue from businesses that are being closed down.

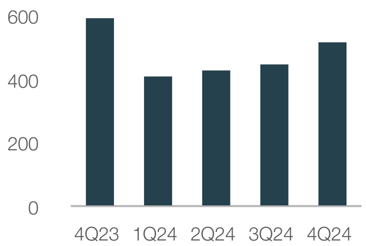
YIT's adjusted operating profit decreased to EUR 32 million (41), and the adjusted operating profit margin was 1.7% (1.9). In Housing, adjusted operating profit decreased mainly attributable to the decrease in adjusted operating profit in Housing Finland. In Business Premises and Infrastructure adjusted operating profit increased.

YIT's operating profit was EUR -55 million (51). Adjusting items amounted to EUR 86 million (-10), mainly related to the costs of transformation program and operating profit from operations to be closed down, offset by the gain on sale of the equipment services business YIT Kalusto Oy. Net finance costs amounted to EUR 64 million (56). The result for the period amounted to EUR -112 million (3), impacted by EUR 45 (17) million costs from closing down the operations in Norway and Sweden and by EUR 54 (19) million pre-tax costs from the transformation program in 2024. Earnings per share was EUR -0.51 (-0.01).

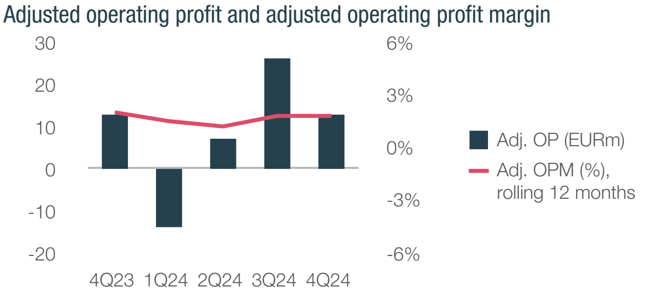
Order book (EURm)



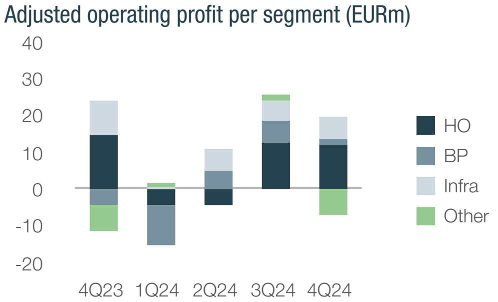
Revenue (EURm)



Adjusted operating profit and adjusted operating profit margin



Adjusted operating profit per segment (EURm)



Cash flow

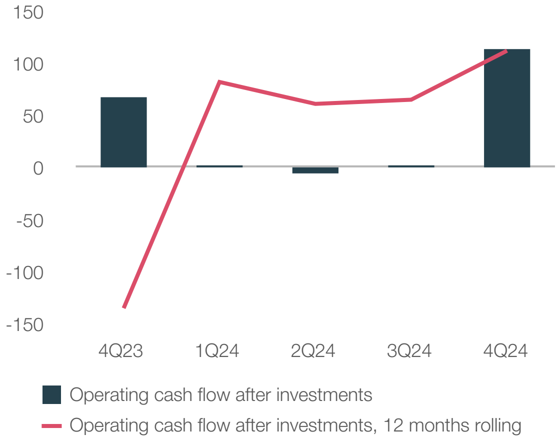
October–December

YIT’s operating cash flow after investments increased to EUR 114 million (67). The cash flow was mainly supported by operational cash flow in the Housing segment, attributable to project completions in the CEE countries and sale of completed apartments. Also Business Premises and Infrastructure segments had positive cash flow from operations. Cash flow from plot investments amounted to EUR -9 million (2).

January–December

YIT’s operating cash flow after investments amounted to EUR 110 million (-137). The cash flow was supported by positive operational cash flow in the Housing segment, improved net working capital efficiency and the divestment of the equipment services business YIT Kalusto Oy. The comparison period was burdened by capital tied to Housing segment's residential construction in Finland. Cash flow from plot investments was EUR -60 million (-65).

Operating cash flow after investments (EURm)



Financial position

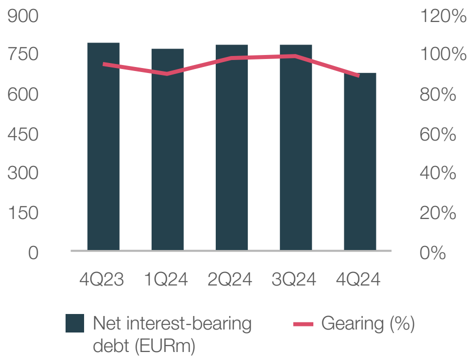
At the end of the period, interest-bearing debt decreased to EUR 893 million (998). Net interest-bearing debt decreased to EUR 680 million (795). Net interest-bearing debt included IFRS 16 lease liabilities of EUR 276 million (256), as well as housing company loans of EUR 178 million (260) related to unsold apartments. Gearing ratio decreased to 88% (94). Equity ratio increased to 34% (33). Equity decreased to EUR 770 million (845). The net debt/adjusted EBITDA ratio decreased to 13.4 (30 Sep 2024: 14.9), and the interest cover ratio was 0.8 (30 Sep 2024: 0.8).

Cash and cash equivalents amounted to EUR 137 million (128), and YIT had undrawn overdraft facilities amounting to EUR 13 million (20). YIT also had a EUR 249 million (300) committed revolving credit facility, of which EUR 189 million (220) was unused and available at the end of the fourth quarter. Unutilised and committed housing company loan limits associated with apartment projects decreased to EUR 27 million (49), as a result of the lower number of consumer apartments under construction in Finland.

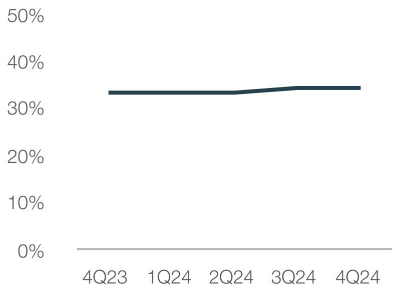
Capital employed decreased to EUR 1,401 million (1,618) at the end of the fourth quarter, decreasing also from the previous quarter (30 Sep 2024: 1,542). Capital employed was supported by the successful capital release measures.

Investments in plots in the fourth quarter were EUR 3 million (2). Investments in leased plots, excluding sale and leaseback transactions, were EUR 2 million (3). In January–December, investments in plots were EUR 18 million (56) and investments in leased plots, excluding sale and leaseback transactions, were EUR 9 million (3). The total plot reserve at the end of the period amounted to EUR 793 million (813).

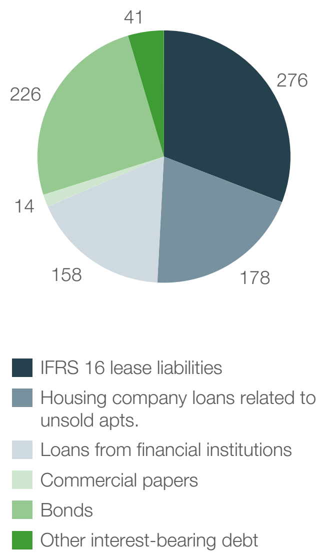
Net interest-bearing debt and gearing



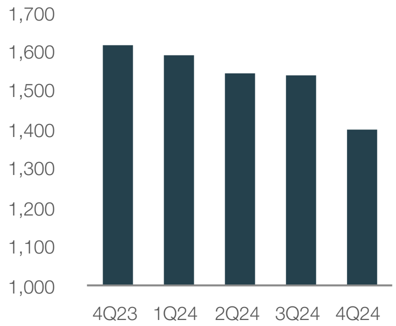
Equity ratio



Distribution of interest-bearing debt (EURm)



Capital employed (EURm)



Housing (Residential Finland and Residential CEE from Q1/2025 onwards)

EUR million	10–12/24	10–12/23	1–12/24	1–12/23
Revenue	230	242	731	912
Operating profit	12	15	17	32
Adjusted operating profit	12	15	17	32
Adj. operating profit margin, %	5.4	6.0	2.3	3.5
Order book at end of period	1,036	1,105	1,036	1,105
Capital employed	994	1,054	994	1,054

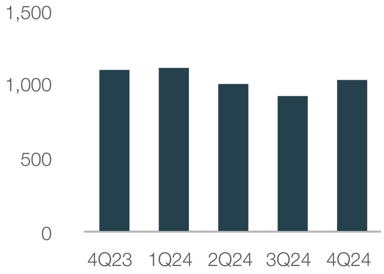
October–December

- Revenue decreased to EUR 230 million (242).
  - Revenue in Finland amounted to EUR 103 million (107).
  - Revenue in the Baltic and CEE countries amounted to EUR 127 million (135).
- Adjusted operating profit decreased to EUR 12 million (15).
  - Adjusted operating profit in Finland amounted to EUR -12 million (-15).
  - Adjusted operating profit in the Baltic and CEE countries amounted to EUR 25 million (30).
- Consumer apartment sales increased in both Finland and the Baltic and CEE countries. In Finland, consumer apartment sales increased to 174 (122) apartments and in the Baltic and CEE countries to 300 (220) apartments in the fourth quarter.
- Consumer apartment starts in the quarter increased to 222 (204), of which 160 (30) were in Finland, and 62 (174) in the Baltic and CEE countries.
- The number of unsold completed apartments decreased to 981 (30 Sep 2024: 1,048), out of which 700 (30 Sep 2024: 771) were located in Finland and 281 (30 Sep 2024: 277) in the Baltic and CEE countries.
- The share of results of associated companies and joint ventures was EUR 1 million (7), and changes in the fair value of the segment's equity investments amounted to EUR 0 million (-1).
- Capital employed at the end of the period decreased to EUR 994 million (1,054). In Finland, capital employed decreased to EUR 650 million (689), and in the Baltic and CEE countries to EUR 343 million (364).
- The land bank in Housing amounted to 1,956,000 sqm (30 Sep 2024: 2,181,000). The land bank will enable the construction of approximately 31,000 new homes.
- Apartment sales from the inventory of YIT's project development associated companies and joint ventures was 255 apartments (56) in the fourth quarter. Respectively, the number of unsold completed apartments was 88 (140). Overall, YIT's associated companies and joint ventures enable YIT to construct over 2,000 new homes in the Baltic and CEE countries.

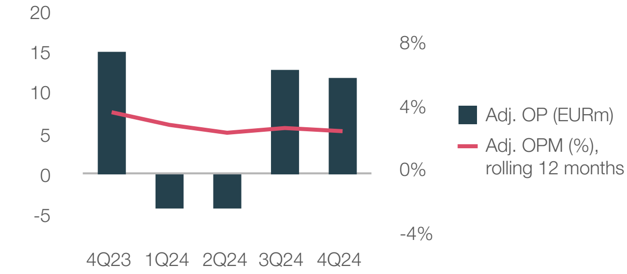
January–December

- Revenue decreased to EUR 731 million (912).
  - Revenue in Finland amounted EUR 427 million (628). The revenue in the comparison period was supported by the sale of 190 apartments in Finland to YIT's joint venture's rental housing portfolio and by sale and leaseback transactions for 11 plots in the second quarter of 2023.
  - Revenue in the Baltic and CEE countries increased to EUR 304 million (285).
- Adjusted operating profit decreased to EUR 17 million (32).
  - Adjusted operating profit in Finland amounted to EUR -20 million (-10).
  - Adjusted operating profit in the Baltic and CEE countries amounted to EUR 37 million (42).
- Consumer apartment sales increased in both Finland and the Baltic and CEE countries in 2024. In Finland, consumer apartment sales increased to 589 (419) apartments and in the Baltic and CEE countries to 986 (767) apartments.
- Consumer apartment starts in 2024 increased to 943 (863), of which 160 (91) were in Finland, and 783 (772) in the Baltic and CEE countries.
- The share of results of associated companies and joint ventures was EUR 3 million (14), and changes in the fair value of the segment's equity investments amounted to EUR -1 million (-1).

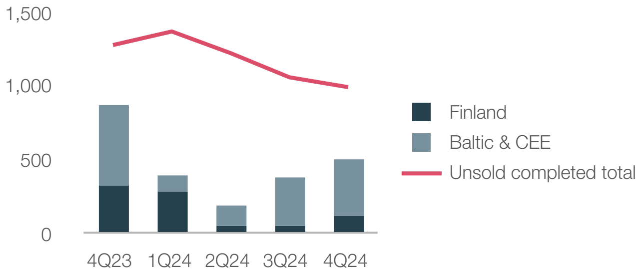
Order book (EURm)



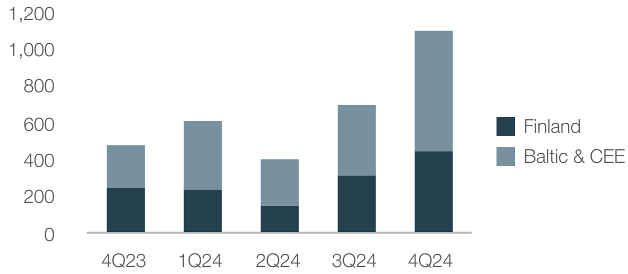
Adjusted operating profit and adjusted operating profit margin



Consumer apartment completions (units)



Sold apartments (units)



Business Premises (Building Construction from Q1/2025 onwards)

EUR million	10–12/24	10–12/23	1–12/24	1–12/23
Revenue	184	240	734	843
Operating profit	2	-4	3	-2
Adjusted operating profit	2	-4	3	0
Adj. operating profit margin, %	1.3	-1.5	0.4	—
Order book at end of period	1,026	1,244	1,026	1,244
Capital employed	245	247	245	247

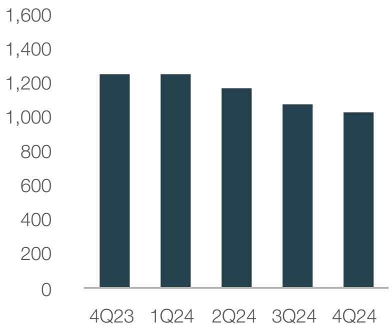
October–December

- Revenue decreased to EUR 184 million (240).
- Adjusted operating profit increased to EUR 2 million (-4).
- YIT's partly owned Mall of Tripla continued its good operational performance. The Mall of Tripla's total revenue increased, and the total number of visitors grew year-on-year. The fair value of YIT's equity investment in Tripla Mall Ky was EUR 184 million (30 Sep 2024: 182). The total change in the fair value of the segment's equity investments amounted to EUR 2 million (-7).
- The share of results of associated companies and joint ventures was EUR 0 million (0).
- Capital employed remained stable at EUR 245 million (247) at the end of the period.
- Order book amounted to EUR 1,026 million (30 Sep 2024: 1,077). At the end of the quarter, the order book included EUR 324 million (30 Sep 2024: 328) of service periods for life cycle projects.
- On 19 November 2024 YIT announced that YIT and Senate Properties have signed a contract on the renovation and alteration of the K2 city block, which is located in the center of Helsinki and houses government activities. The scope of the project is about 15,000 gross square meters, in addition to which earthworks and blasting will be performed as part of the contract. The value of the contract to YIT is approximately EUR 40 million, and it was recorded in the order book for the fourth quarter of 2024.
- On 18 December YIT announced that it had signed a project management contract with Hitachi Energy for the construction of a new production and technology center in Vikby's industrial area in Mustasaari Finland. The value of the construction contract for YIT is approximately EUR 105 million, which was recorded in the order book of the fourth quarter of 2024. The project includes construction work for Building Construction and Infrastructure segments.

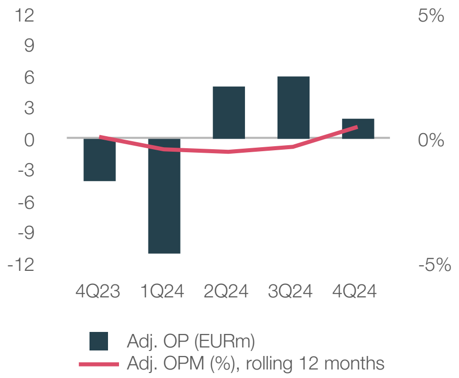
January–December

- Revenue decreased to EUR 734 million (843). Comparison period was supported by the sale of the Maistraatinportti office property.
- Adjusted operating profit increased to EUR 3 million (0), burdened by a decrease in the fair value of Tripla Mall caused by a yield increase in the first quarter, impacting the adjusted operating profit by EUR -12 million.
- The share of results of associated companies and joint ventures was EUR -2 million (-1). The total change in the fair value of the segment's equity investments amounted to EUR -8 million (-1). Change in the fair value of the segment's equity investments excluding equity distributions amounted to EUR -4 million (-1).

Order book (EURm)



Adjusted operating profit and adjusted operating profit margin



Infrastructure

EUR million	10–12/24	10–12/23	1–12/24	1–12/23
Revenue	116	122	393	437
Operating profit	-7	40	-13	45
Adjusted operating profit	6	9	17	14
Adj. operating profit margin, %	5.1	7.3	4.3	3.3
Order book at end of period	880	808	880	808
Capital employed	-65	36	-65	36

Operating profits from the businesses to be closed down in Norway, and Sweden from Q4/2023 onwards, are recorded in adjusting items and not presented in adjusted operating profit.

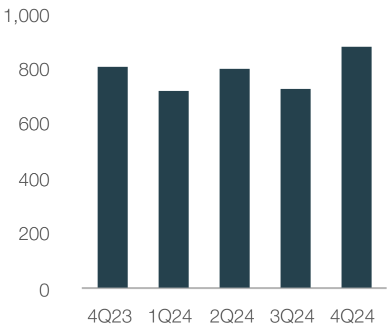
October–December

- Revenue amounted to EUR 116 million (122).
    - Revenue in Finland increased to EUR 111 million (105), supported by industrial construction. The comparison figure includes the revenue from YIT Kalusto Oy, divested in the first quarter of 2024.
    - Revenue in businesses to be closed down decreased to EUR 5 million (17).
- Adjusted operating profit decreased to EUR 6 million (9).
- Capital employed at the end of the period improved significantly and decreased to EUR -65 million (36). The improvement was mainly related to successful capital release measures.
- Order book increased to EUR 880 million (30 Sep 2024: 731).
- On 22 October YIT announced that it was chosen as an alliance partner for the first phase Pirkkala-Linnainmaa tramway implementation. The construction has started and will be completed in August 2028. The value of the first phase order for YIT is approximately EUR 115 million, which was recorded in the order book of the fourth quarter of 2024.
- On 13 November YIT announced that it had been selected as a partner for the development phase of the Helsinki Urban Development and Tramway Program Alliance. The projects included in the program are the Western Helsinki tramway, the West Harbor light rail and the Viikki-Malmi light rail, as well as the related investments. The projects will be recorded in the order book separately after individual final decisions.
- On 20 December YIT announced, that YIT and XTX Markets had signed an agreement to construct a new large-scale data center in Kajaani, Finland. The total value of the contract for YIT is approximately EUR 100 million. The project was recorded in YIT's order book for the fourth quarter of 2024. The project includes construction work for Infrastructure and Building Construction segments.

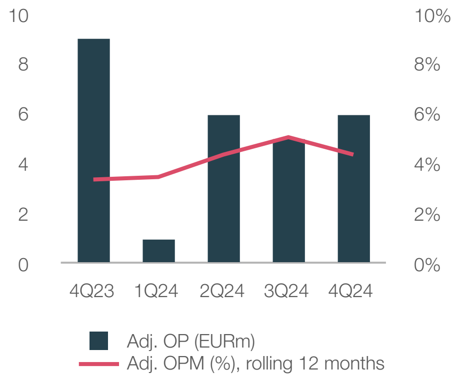
January–December

- Revenue amounted to EUR 393 million (437).
    - Revenue in Finland increased to EUR 369 million (357). The comparison figure includes revenue from YIT Kalusto Oy, divested in the first quarter of 2024.
    - Revenue in businesses to be closed down decreased to EUR 25 million (81).
- Adjusted operating profit increased to EUR 17 million (14), supported by the steady performance of the projects in Finland.
- The operating profit adjustments included EUR 45 (17) million costs from closing down the operations in Sweden and Norway in 2024. The closing down of operations in Sweden and Norway proceeded according to plan in 2024. In Sweden, several projects were completed, including all projects in Northern Sweden. Finalizing the ongoing projects in Central Sweden will continue in 2025. All remaining projects in Norway were finalized during 2024.

Order book (EURm)



Adjusted operating profit and adjusted operating profit margin



Shares

YIT Corporation's share capital and the number of shares remained unchanged during the fourth quarter of 2024.

At the end of the reporting period, YIT's share capital was EUR 149,716,748.22 (31 Dec 2023: 149,716,748.22), and the number of shares outstanding was 230,574,104 (31 Dec 2023: 209,547,734).

Personnel

During January–December, the Group employed an average of 3,842 people (4,717) in continuing operations. Personnel expenses in October–December totalled EUR 70 million (82) and in January–December EUR 264 million (310).

Governance

Changes in the Group Management Team

On 9 December 2024 YIT announced that Antti Inkilä, EVP, Housing segment, will leave the company on 31 December 2024. President and CEO Heikki Vuorenmaa was appointed as interim leader of the Residential Finland segment and CFO Tuomas Mäkipeska as interim leader of the Residential CEE segment in addition to their own positions.

Resolutions passed at the Annual General Meeting 2024

The Annual General Meeting of YIT Corporation was held on 14 March 2024. The Stock Exchange Releases on the resolutions of the Annual General Meeting and on the organizational meeting of the Board of Directors were published on 14 March 2024. The Stock Exchange Releases and introductions of the members of the Board of Directors are available on YIT's website.

Annual General Meeting 2025

The Annual General Meeting of YIT Corporation is planned to be held on 3 April 2025 at the Event Center Little Finlandia, Karamzininranta 4, Helsinki. The Board of Directors will decide on the convening of the Annual General Meeting separately at a later date. The notice of the Annual General Meeting will be published no later than week 11. Possible requests from shareholders to put matters on the agenda of the 2025 Annual General Meeting shall be submitted no later than Monday, 10 February.

Significant risks and uncertainties

The purpose of YIT's risk management is to promote the achievement of the objectives set for YIT's operations and ensure the continuity of operations. Risk management is incorporated into all the Group's significant operating, reporting and management processes. Risk management planning, risk exposure assessment and risk analyses of the operating environment are part of the annual strategy and planning process. In addition, material changes in risks and risk exposure are reported and monitored on a monthly and quarterly basis in accordance with the Group's governance and reporting practices.

Low residential demand, especially in Finland, continues due to the uncertainty in the macroeconomic environment. At YIT, the implications of market uncertainty could lead to weakening business performance and profitability or the postponement of revenue and profit from one quarter or year to another. Timing of the residential project completions may deviate from the original estimates leading to revenue and profit recognition shifting from one quarter or a year to another.

The escalation of geopolitical risks reflected in general uncertainty and demand could have a negative impact on the company's financial position.

The company is executing capital release measures that may have an impact on its financial position.

YIT has categorized the risks that are significant to its operations as strategic, operational, project-related, financial and event risks. Detailed descriptions of risks, their impacts and risk management practices are available in Appendix 1.

Board of Directors' proposal for profit distribution

The distributable funds of YIT Corporation on 31 December 2024 amounted to EUR 758 million, of which the profit for the period 2024 amounted to EUR -44 million.

YIT's Board of Directors has decided, that it will not propose dividend to be distributed based on the balance sheet to be adopted for 2024.

YIT Corporation
Board of Directors

Helsinki, 7 February 2025

Financial Statements Bulletin January–December 2024: Tables

Table of contents

Primary Financial Statements

Consolidated income statement

EUR million	10–12/24	10–12/23	1–12/24	1–12/23
Revenue	**521**	**597**	**1,820**	**2,163**
Other operating income	1	49	27	57
Change in inventories of finished goods and in work in progress	-83	-35	-200	-47
Materials and supplies	-74	-106	-271	-353
External services	-246	-322	-909	-1,234
Personnel expenses	-70	-82	-264	-310
Other operating expenses	-62	-61	-217	-207
Changes in fair value of financial assets	2	-8	-10	-1
Share of results of associated companies and joint ventures	—	8	1	13
Depreciation, amortisation and impairment	-6	-7	-33	-29
Operating profit	**-17**	**33**	**-55**	**51**
Finance Income	2	1	7	5
Exchange rate differences (net)	-1	-1	-2	-5
Finance expenses	-17	-20	-68	-56
Finance income and expenses, total	-15	-20	-64	-56
Result before taxes	**-33**	**13**	**-118**	**-5**
Income taxes	-7	4	6	8
Result for the period	**-39**	**17**	**-112**	**3**
Attributable to				
Owners of YIT Corporation	-39	17	-112	3
Earnings per share, attributable to the equity holders of the parent company, EUR				
Basic, total	-0.18	0.08	-0.51	-0.01
Diluted, total	-0.18	0.08	-0.51	-0.01

Consolidated statement of comprehensive income

EUR million	10–12/24	10–12/23	1–12/24	1–12/23
Result for the period	-39	17	-112	3
Items that may be reclassified to income statement				
Cash flow hedges, net of tax	—	-1	-3	-3
Change in translation differences	—	4	—	4
Items that may be reclassified to income statement, total	**—**	**3**	**-3**	**2**
Items that will not be reclassified to income statement				
Change in fair value of defined benefit pension, net of tax	—	—	1	—
Change in fair value of financial assets measured through other comprehensive income, net of tax	—		—	
Items that will not be reclassified to income statement, total	**—**	**—**	**1**	**—**
Other comprehensive income, total	**—**	**3**	**-2**	**2**
Total comprehensive income	**-39**	**20**	**-114**	**5**
Attributable to				
Owners of YIT Corporation	-39	20	-114	5

Consolidated statement of financial position

EUR million	12/24	12/23
ASSETS		
Non-current assets		
Property, plant and equipment	19	22
Leased property, plant and equipment	41	60
Goodwill	248	248
Other intangible assets	2	3
Investments in associated companies and joint ventures	59	77
Equity investments	213	214
Interest-bearing receivables	63	62
Trade and other receivables	34	73
Deferred tax assets	62	49
Non-current assets total	**741**	**807**
Current assets		
Inventories	1,185	1,417
Leased inventories	218	192
Trade and other receivables	181	255
Interest-bearing receivables	12	12
Income tax receivables	2	2
Cash and cash equivalents	137	128
Current assets total	**1,735**	**2,006**
Assets classified as held for sale		**18**
Total assets	**2,475**	**2,832**
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent company	671	746
Hybrid bond	99	99
Equity total	**770**	**845**
Non-current liabilities		
Deferred tax liabilities	1	4
Pension obligations	2	3
Provisions	78	87
Interest-bearing liabilities	403	328
Lease liabilities	258	240
Contract liabilities, advances received	5	5
Trade and other payables	28	29
Non-current liabilities total	**776**	**695**
Current liabilities		
Contract liabilities, advances received	199	248
Other contract liabilities	5	10
Trade and other payables	432	535
Income tax payables	4	5
Provisions	58	54
Interest-bearing liabilities	214	414
Lease liabilities	18	16
Current liabilities total	**929**	**1,282**
Liabilities directly associated with assets classified as held for sale		**11**
Liabilities total	**1,705**	**1,987**
Total equity and liabilities	**2,475**	**2,832**

Consolidated cash flow statement

EUR million	10–12/24	10–12/23	1–12/24	1–12/23
Result for the period	**-39**	**17**	**-112**	**3**
Reversal of accrual-based items	28	-17	77	28
Change in trade and other receivables	25	44	95	17
Change in inventories	105	50	235	21
Change in current liabilities	—	-15	-147	-121
Change in working capital, total	129	79	183	-83
Cash flow of financial items	-14	-17	-77	-66
Taxes paid (-)	-2	-2	-10	-21
Net cash generated from operating activities	**103**	**60**	**60**	**-139**
Cash flow from investing activities				
Sale of subsidiaries, net of cash	10	10	44	10
Investments in associated companies and joint ventures	—	-3	-3	-6
Proceeds from sale of associated companies and joint ventures	2	1	5	2
Purchases of tangible assets	-1	-1	-7	-4
Purchases of intangible assets	—	—	—	—
Proceeds from tangible and intangible assets	—	—	2	2
Proceeds from sale of investments	—	11	—	11
Dividends received (from associated companies and joint ventures)	—	—	9	4
Increase in interest-bearing receivables	-10	-13	-22	-27
Decrease in interest-bearing receivables	12	1	22	11
Net cash used in investing activities	**11**	**7**	**50**	**2**
Operating cash flow after investments	**114**	**67**	**110**	**-137**
Cash flow from financing activities				
Proceeds from issue of shares	—	—	32	—
Proceeds from non-current interest-bearing liabilities	—	205	257	360
Repayments of non-current interest-bearing liabilities	-17	-215	-268	-310
Proceeds from current interest-bearing liabilities	20	121	67	326
Repayments of current interest-bearing liabilities	-57	-122	-172	-260
Payments of lease liabilities	-4	-6	-18	-22
Dividends paid	—	-19	—	-38
Net cash used in financing activities	**-58**	**-36**	**-102**	**57**
Net change in cash and cash equivalents	56	31	8	-81
Cash and cash equivalents at the beginning of the period	81	94	128	206
Foreign exchange differences	—	4	1	2
Cash and cash equivalents at the end of the period	**137**	**128**	**137**	**128**

Consolidated statement of changes in equity

EUR million	Share capital	Unrestricted equity reserve	Translation differences	Fair value and other reserves	Treasury shares	Retained earnings	Equity attributable to owners of parent company	Hybrid bond	Equity total
Equity on 1 January 2024	**150**	**553**	**5**	**1**	**-8**	**44**	**746**	**99**	**845**
Result for the period						-112	-112		-112
Cash flow hedges, net of tax				-3			-3		-3
Change in fair value of defined benefit pension, net of tax						1	1		1
Translation differences			—				—		—
Change in fair value of financial assets measured through other comprehensive income, net of tax				—			—		—
Comprehensive income for the period, total			**—**	**-3**		**-111**	**-114**		**-114**
Share issue		33					33		33
Share-based incentive schemes					—	1	1		1
Convertible note, equity component						6	6		6
Transactions with owners, total		**33**			**—**	**6**	**39**		**39**
Equity on 31 December 2024	**150**	**586**	**5**	**-2**	**-7**	**-60**	**671**	**99**	**770**

EUR million	Share capital	Unrestricted equity reserve	Translation differences	Fair value reserve	Treasury shares	Retained earnings	Equity attributable to owners of parent company	Hybrid bond	Equity total
Equity on 1 January 2023	**150**	**553**	**1**	**4**	**-8**	**84**	**783**	**99**	**883**
Result for the period						3	3		3
Cash flow hedges, net of tax				-3			-3		-3
Change in fair value of defined benefit pension, net of tax						—	—		—
Translation differences			4				4		4
Comprehensive income for the period, total			**4**	**-3**		**3**	**5**		**5**
Dividend distribution						-38	-38		-38
Share-based incentive schemes					—	1	1		1
Transactions with owners, total					**—**	**-37**	**-37**		**-37**
Hybrid bond interests and expenses, net of tax						-6	-6		-6
Equity on 31 December 2023	**150**	**553**	**5**	**1**	**-8**	**44**	**746**	**99**	**845**

Basis of preparation and accounting policies of the financial statements bulletin

Basis of preparation

This financial statements bulletin has been prepared in accordance with IFRS Accounting Standards recognition and measurement principles, and all the requirements of IAS 34 Interim Financial Reporting standard have been applied. This financial statements bulletin should be read together with YIT's consolidated Financial Statements 2023. The figures presented in the financial statements bulletin are unaudited. In the financial statements bulletin, the figures are presented in million euros doing the rounding on each line, which may cause some rounding inaccuracies in columns and total sums.

Accounting policies

The same IFRS Accounting Standards recognition and measurement principles have been applied in the preparation of this financial statements bulletin as in YIT's consolidated Financial Statements 2023, except for the amendments to the IFRS Accounting Standards effective as of January 1, 2024 and the additions described in the following paragraphs. The amendments had no impact on the consolidated financial statements.

Convertible bonds are compound instruments with components of the bonds classified separately as financial liabilities and equity in accordance with the substance of the arrangement. The liability component is recognized initially at fair value of a similar liability. The equity component is recognized initially at the difference between the fair values of the full bond and the liability component. Transaction costs are allocated to the components in proportion to their initial carrying amounts. The fair value includes the value of conversion rights. Subsequently the liability component is measured at amortized cost with the effective interest method. At conversion or on expiry the equity component is reclassified within equity.

In addition, when calculating the earnings per share, diluted earnings per share is calculated by adjusting the adjusted weighted average number of ordinary shares outstanding with the assumption that convertible instruments are converted. The profit or loss used in the calculation is adjusted for the interest expense related to the instrument and recognized in the period, net of tax. However, potential ordinary shares are only dilutive if the adjustments decrease the earnings per share ratio.

Significant management judgements

In preparing this financial statements bulletin, significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those described in the consolidated Financial Statements for the year ended 31 December 2023. Measurement technique used to measure the 10-year liability provision has been changed during the third quarter of 2024.

Previously, the calculation of the provision was based on the discounted value of actual incurred expenses from a five-year period adjusted yearly with construction cost index, without considering the number of apartments on a liability period. Currently, the 10-year liability provision, primarily associated with YIT's own housing development, is determined as the discounted value based on the average annual realized repair costs of a single apartment. Average annual cost for a single apartment is multiplied by the number of apartments on a liability period, taking into account the remaining liability period. The net decrease in 10-year liability provision during 2024 was EUR 8 million, mainly related to change in measurement technique in the third quarter of 2024. The 10-year liability provision amounted to EUR 75 million in the fourth quarter of 2024 (Q4/2023: EUR 83 million).

Most relevant currency exchange rates used in the financial statements bulletin

		Average rates		End Rates	
		1–12/24	**1–12/23**	**12/24**	**12/23**
1 EUR =	CZK	25.1171	24.0030	25.1850	24.7240
	PLN	4.3055	4.5406	4.2750	4.3395
	SEK	11.4279	11.4739	11.4590	11.0960
	NOK	11.6222	11.4260	11.7950	11.2405

Notes

Segment information

YIT published a new strategy for 2025-2029 in November 2024. Starting from 1 January 2025, YIT will have four reportable segments: Residential Finland (previously Housing Finland), Residential CEE (previously Housing CEE), Building Construction (previously Business Premises) and Infrastructure. YIT will change its segment reporting to correspond to the new structure starting from the Interim Report 1–3/2025. Restated comparison figures for the new segment structure will be published before the release of the Interim Report 1–3/2025.

Segment financial information

10–12/24 EUR million	Housing	Business Premises	Infrastructure	Other Items	Group
Revenue	**230**	**184**	**116**	**-9**	**521**
Revenue from external customers	223	183	115	—	521
Revenue Group internal	7	—	1	-9	—
Depreciation, amortisation and impairment	-1	-1	-1	-2	-6
Operating profit	**12**	**2**	**-7**	**-25**	**-17**
Operating profit margin, %	**5.4**	**1.3**	**-6.4**		**-3.3**
Adjusting items	—	—	13	17	31
Adjusted operating profit	**12**	**2**	**6**	**-7**	**13**
Adjusted operating profit margin, %	**5.4**	**1.3**	**5.1**		**2.6**

10–12/23 EUR million	Housing	Business Premises	Infrastructure	Other Items	Group
Revenue	**242**	**240**	**122**	**-7**	**597**
Revenue from external customers	242	242	114	-1	597
Revenue Group internal	—	-2	9	-6	—
Depreciation, amortisation and impairment	-1	-2	-2	-2	-7
Operating profit	**15**	**-4**	**40**	**-18**	**33**
Operating profit margin, %	**6.0**	**-1.5**	**32.5**		**5.5**
Adjusting items	—	—	-31	11	-20
Adjusted operating profit	**15**	**-4**	**9**	**-7**	**13**
Adjusted operating profit margin, %	**6.0**	**-1.5**	**7.3**		**2.2**

1–12/24 EUR million	Housing	Business Premises	Infrastructure	Other Items	Group
Revenue	**731**	**734**	**393**	**-38**	**1,820**
Revenue from external customers	703	732	385	—	1,820
Revenue Group internal	28	2	8	-38	—
Depreciation, amortisation and impairment	-4	-3	-6	-20	-33
Operating profit	**17**	**3**	**-13**	**-61**	**-55**
Operating profit margin, %	**2.3**	**0.4**	**-3.2**		**-3.0**
Adjusting items	—	—	30	56	86
Adjusted operating profit	**17**	**3**	**17**	**-5**	**32**
Adjusted operating profit margin, %	**2.3**	**0.4**	**4.3**		**1.7**

1–12/23 EUR million	Housing	Business Premises	Infrastructure	Other Items	Group
Revenue	**912**	**843**	**437**	**-30**	**2,163**
Revenue from external customers	912	844	409	-3	2,163
Revenue Group internal	—	-1	28	-28	—
Depreciation, amortisation and impairment	-4	-6	-10	-10	-29
Operating profit	**32**	**-2**	**45**	**-24**	**51**
Operating profit margin, %	**3.5**	**-0.2**	**10.3**		**2.4**
Adjusting items	—	1	-31	20	-10
Adjusted operating profit	**32**	**0**	**14**	**-5**	**41**
Adjusted operating profit margin, %	**3.5**	**0.0**	**3.3**		**1.9**

Capital employed by segments

EUR million	12/24	12/23
Housing	994	1,054
Business Premises	245	247
Infrastructure	-65	36
Other Items	227	266
Capital employed, segments total	**1,401**	**1,603**
Reconciliation*	—	15
Capital employed, total	**1,401**	**1,618**

*Reconciliation relates to assets and liabilities classified as held for sale, which are not part of capital employed items presented in the consolidated statement of financial position.

Order book at the end of the period by segments

EUR million	12/24	12/23
Housing	1,036	1,105
Business Premises	1,026	1,244
Infrastructure	880	808
Internal order book	—	—
Order book, total	**2,941**	**3,157**

Revenue from customer contracts

1–12/24 EUR million	Housing	Business Premises	Infrastructure	Other Items	Group
Revenue by market area					
Finland	399	550	361	—	1,309
Baltic & CEE	304	182	—	—	486
Baltic countries	82	173	—	—	256
Central Eastern European countries	222	9	—	—	231
Scandinavia	—	—	25	—	25
Sweden	—	—	31	—	31
Norway	—	—	-7	—	-7
Internal sales between segments	28	2	8	-38	—
Total	**731**	**734**	**393**	**-38**	**1,820**

1–12/24 EUR million	Housing	Business Premises	Infrastructure	Other Items	Group
Timing of revenue recognition					
Over time	192	711	385	—	1,287
At a point in time	511	21	—	—	533
Internal sales between segments	28	2	8	-38	—
Total	**731**	**734**	**393**	**-38**	**1,820**

1–12/23 EUR million	Housing	Business Premises	Infrastructure	Other Items	Group
Revenue by market area					
Finland*	628	669	328	-3	1,622
Baltic & CEE	285	176	—	—	460
Baltic countries	75	171	—	—	246
Central Eastern European countries*	210	4	—	—	214
Scandinavia	—	—	81	—	81
Sweden	—	—	82	—	82
Norway	—	—	-1	—	-1
Internal sales between segments	—	-1	28	-28	—
Total	**912**	**843**	**437**	**-30**	**2,163**

*2023 figures for Housing segment have been adjusted

1–12/23 EUR million	Housing	Business Premises	Infrastructure	Other Items	Group
Timing of revenue recognition					
Over time	300	788	406	-3	1,490
At a point in time	613	56	3	—	672
Internal sales between segments	—	-1	28	-28	—
Total	**912**	**843**	**437**	**-30**	**2,163**

Property, plant and equipment

EUR million	12/24	12/23
Carrying amount at Jan, 1	**22**	**37**
Exchange rate differences	—	—
Increases	2	4
Decreases	—	—
Depreciation	-4	-8
Reclassifications	—	—
Transfers to assets classified as held for sale		-12
Carrying amount at the end of the period	**19**	**22**

Leased property, plant and equipment

EUR million	12/24	12/23
Carrying amount at Jan, 1	**60**	**68**
Exchange rate differences	—	—
Increases, including the effect of index changes	11	19
Decreases	-2	-5
Business disposals		—
Depreciation and impairment*	-27	-18
Transfers to assets classified as held for sale		-5
Carrying amount at the end of the period	**41**	**60**

*In Q2 2024 YIT made an impairment of right-of-use asset amounting to EUR 12 million as a part of the transformation program to partially release its leased headquarter premises for sublease.

Goodwill

EUR million	12/24	12/23
Housing	105	105
Business Premises	87	87
Infrastructure	56	56
Goodwill total	**248**	**248**

EUR million	12/24	12/23
Carrying amount at Jan, 1	**248**	**249**
Decreases		-1
Carrying amount at the end of the period	**248**	**248**

Disposals of business

On 9 January 2024, YIT announced that it had agreed on the sale of the entire share capital of YIT Kalusto Oy, the company's subsidiary providing in-house equipment services, to Renta Oy. As part of the arrangement, YIT and Renta announced the signing of a long-term cooperation agreement on the delivery of equipment services to YIT in Finland. In addition to the share transaction, YIT announced that it would sell the property used by YIT Kalusto Oy, located in Urjala, Finland, to Renta. Prior to the share transaction, the specialised equipment related to YIT's Infrastructure business and the personnel working with the business was transferred to YIT Infra Oy in an intra-group business transaction. The transaction was closed on 29 February 2024. YIT Kalusto Oy was classified as an asset held-for-sale at year-end 2023 because the sale was highly probable at year-end. YIT Kalusto Oy was part of the Infrastructure segment.

YIT recorded a gain on sale of EUR 19 million of the transaction. The enterprise value of the transaction was EUR 37 million in total, and the cash flow from the transaction amounted to EUR 34 million. As a condition precedent to the closing of the transaction, YIT redeemed the leased equipment to YIT Kalusto Oy, which resulted the total net cash inflow from the transaction to amount EUR 28 million.

In December 2023, YIT sold its renewable energy business, YIT Energy Oy, to Eolus Vind AB. The transaction price consists of a fixed and a variable consideration. YIT recorded a discounted total consideration of EUR 48 million and a gain on sale of EUR 47 million in 2023. The effect of discounting in the total consideration recorded amounts to EUR 4 million. Gain on sale is presented as part of the other operating income in the consolidated income statement. YIT Energy Oy was part of the Infrastructure segment.

Inventories

EUR million	12/24	12/23
Raw materials and consumables	5	7
Work in progress	196	370
Plot reserve	610	664
Completed apartments and real estate	360	360
Advance payments	15	16
Other inventories	—	—
Inventories	**1,185**	**1,417**
Plot reserve	183	150
Plots, work in progress	1	12
Plots, completed apartments and real estate	34	30
Leased inventories	**218**	**192**

In 2024, YIT recognized inventory write-downs related to the Housing segment amounting to EUR 11 million (0) and Business Premises segment amounting to EUR 4 million (3).

Financial assets and liabilities by category

31 December 2024, EUR million

Measurement category	Financial assets and liabilities measured at amortised cost	Financial assets and liabilities recognized at fair value through profit and loss	Financial assets and liabilities recognized at fair value through comprehensive income	Carrying amount	Fair value	Fair value measurement hierarchy
Non-current financial assets						
Equity investments		211	2	213	213	Level 3
Trade receivables, interest-bearing receivables and other receivables*	47			47	43	Level 3
Interest-bearing receivables and other receivables		50		50	50	Level 3
Derivative agreements		1		1	1	Level 2
Current financial assets						
Trade receivables, interest-bearing receivables and other receivables*	131			131	131	
Other receivables		5		5	5	Level 3
Derivative agreements		—		—	—	Level 2
Cash and cash equivalents	137			137	137	
Financial assets by category, total	**315**	**267**	**2**	**583**	**579**	
Non-current financial liabilities						
Interest bearing liabilities, bonds	226			226	231	Level 1
Interest bearing liabilities, other	177			177	170	Level 3
Trade payables and other liabilities*	24			24	21	Level 3
Derivative agreements		1	3	4	4	Level 2
Current financial liabilities						
Interest-bearing liabilities	214			214	214	
Trade payables and other liabilities*	233			233	233	
Derivative agreements		1		1	1	Level 2
Financial liabilities by category, total	**874**	**2**	**3**	**879**	**873**	

*Do not include accruals, statutory obligations or advances, as these are not classified as financial assets and liabilities under IFRS Accounting Standards.

31 December 2023, EUR million

Measurement category	Financial assets and liabilities measured at amortised cost	Financial assets and liabilities recognized at fair value through profit and loss	Financial assets and liabilities recognized at fair value through comprehensive income	Carrying amount	Fair value	Fair value measurement hierarchy
Non-current financial assets						
Equity investments		212	2	214	214	Level 3
Trade receivables, interest-bearing receivables and other receivables*	111			111	101	Level 3
Loan receivables		21		21	21	Level 3
Derivative agreements		2		2	2	Level 2
Current financial assets						
Trade receivables, interest-bearing receivables and other receivables*	181			181	181	
Derivative agreements		—	1	1	1	Level 2
Cash and cash equivalents	128			128	128	
Financial assets by category, total	**420**	**236**	**3**	**659**	**648**	
Non-current financial liabilities						
Interest bearing liabilities, bonds	100			100	85	Level 1
Interest bearing liabilities, other	228			228	207	Level 3
Trade payables and other liabilities*	28			28	26	Level 3
Derivative agreements		1		1	1	Level 2
Current financial liabilities						
Interest-bearing liabilities	414			414	414	
Trade payables and other liabilities*	283			283	283	
Derivative agreements		3		3	3	Level 2
Financial liabilities by category, total	**1,054**	**4**		**1,058**	**1,019**	

*Do not include accruals, statutory obligations or advances, as these are not classified as financial assets and liabilities under IFRS Accounting Standards.

The fair values of bonds issued are based on the market price at the reporting date. The fair values of other non-current financial assets and liabilities are based on discounted cash flows. The discount rate is defined to be the rate YIT was to pay for equivalent external loans at the end of the reporting period. It consists of risk-free market rate and company related risk premium of 4.08–6.96 % (4.94–8.01 %). The fair values of other current financial assets and liabilities measured at amortized costs are equal to their carrying amounts.

Fair value measurement

The Group categorizes financial instruments recognized at fair value by using a three-level fair value hierarchy. Financial instruments recognized at fair value in the balance sheet are classified by fair value measurement hierarchy as follows:

Level 1

Level 1 of the fair value hierarchy is defined as all financial instruments for which there are quotes available in an active market. These quoted market prices are readily and regularly available from an exchange, broker, pricing service or regulatory agency. These prices are used without adjustment to measure fair value. YIT has no financial instruments classified in Level 1.

Level 2

The fair value of financial instruments in Level 2 is determined using valuation techniques. These techniques utilize other than Level 1 quoted market prices readily and regularly available from an exchange, broker, pricing service or regulatory agency. YIT values OTC derivatives from a Level 2 Intermediary, pricing service or regulatory agency at fair value based on observable market inputs and generally accepted valuation methods.

Level 3

Fair values of financial instruments within Level 3 are not based on observable market data. The fair value levels are presented in previous tables. YIT has classified investments at fair value on Level 3.

Fair value measurements using significant unobservable inputs (level 3)

	Valuation technique	Significant unobservable inputs	Base value 12/24	Base value 12/23	Sensitivity of the input to fair value for YIT	Additional information regarding the input
Equity investments recognized at fair value through profit and loss, Tripla Mall Ky	Discounted Cash Flow (DCF) method, 10-year period	Compound annual growth rate (CAGR) of Net Operating Income (NOI) for the entire valuation period	4.31%	3.72%	1 percentage point increase (decrease) in the input value leads to a EUR 23 million increase (EUR 19 million decrease) in the fair value of the asset.	The change in the input value is estimated through a coefficient that increases/ decreases the growth of all annual NOI cash flows identically, therefore depicting a scenario where the NOI of commercial facility and parking facility follows a higher/lower growth trajectory during the valuation period.
		Yield	6.00%	5.75%	5 percentage increase (decrease) in the input values leads to a EUR 12 million decrease (EUR 16 million increase) in the fair value of the asset.	
Equity investments recognized at fair value through profit and loss, OP Vuokrakoti Ky	Comparable transactions method and discounted cash flow method	Price per square meter	4,797 € / m2	4,935 € / m2	5 percentage increase (decrease) in the average square meter price leads to a EUR 2 million increase (decrease) in the fair value of the asset.	Both comparable transactions and discounted cash flow method are taken into account in the determination of average square meter price.
Equity investments recognized at fair value through profit and loss, Fidus Villa Ky	Comparable transactions method and discounted cash flow method	Price per square meter	4,301 € / m2		5 percentage point increase (decrease) in the average square meter price leads to a EUR 1 million increase (decrease) in the fair value of the asset.	Both comparable transactions and discounted cash flow method are taken into account in the determination of average square meter price.
Other receivables recognized at fair value through profit and loss	Probability weighted cashflow	Average probability of projects to realize	30%	27%	5 percentage increase (decrease) in the probability of projects to succeed leads to EUR 1 million increase (decrease) in the fair value of the asset.	
Trade receivables recognized at fair value through profit and loss	Individual apartments' market value	Price per square meter	5,491 € / m2	5,621 € / m2	5 percentage increase (decrease) in the market value leads to a EUR 2,0 million increase (decrease) in the fair value of the asset.	Market vale based on valuation report prepared by a external valuation provider twice per year

Description of valuation techniques

Equity investments recognized at fair value through profit and loss

Tripla Mall Ky
The fair value of YIT's equity investment in Tripla Mall Ky is calculated as the fair value of the property, subtracting the net debt and the sum is multiplied with YIT's share of ownership. The value of the property is determined by using the income approach, taking 10-year discounted cash flows and the present value of the terminal value. An independent external appraiser (CBRE) has audited the valuation model used by YIT and assessed the relevant valuation assumptions and stated that it fulfills the requirements of IFRS and IVSC (International Valuation Standards Council). Separate calculations have been used for the shopping mall and the parking facility. In general, the discounted cash flow model uses contract rents until the lease expiry, after which the expected market rent rates are used. The valuation is made on a net rental basis and utilizes a long-term vacancy rate for the net rental income. For both shopping mall and the parking facility, other operating income such as advertising have been added to the net rental income. Similarly, expenses such as maintenance expenses for vacant premises and administration expenses have been deducted from the net rental income. The discount rates used are based on reasonable market yields and projected average inflation for the 10-year cash flow valuation period. The market yields are derived from market data and the market knowledge of the independent external appraiser (CBRE).

The value of the investment of YIT to Tripla Mall Ky is also affected by a separate profit-sharing agreement between the shareholders of Tripla Mall Ky. When an equity multiple that is calculated with fixed market parameters (inflation and exit yield) exceeds (or is below) an agreed target range, YIT is entitled to a larger (or smaller) share of the fair value of the investment, when the investment is sold or when the profit-sharing agreement has expired in 2026. If the equity multiple is in the agreed target range, YIT is entitled to its original share of the fair value of the investment. The equity multiple is defined as the ratio between the equity value, which is projected in the fair value model, and realized equity investments in Tripla Mall Ky At the reporting date, the outcome of the modelling of the profit-sharing agreement does not have an impact on the value of the investment when compared to the carrying amount. If the equity multiple increased by 5 percent, it would not have an impact on the value of the investment when compared to the carrying amount. If the equity multiple decreased by 5 percent, it would lead to a EUR 6 million decrease in the fair value of the asset compared to the carrying amount. Fair value changes resulting from the profit-sharing agreement are reported in consolidated income statement in the row "Changes in fair value of financial assets".

OP Vuokrakoti Ky and Fidus Villa Ky
The fair value of YIT's equity investments in OP Vuokrakoti Ky is calculated as the fair value of the owned properties, subtracting the net debt and the sum is multiplied with YIT's share ownership. The fair values of the properties are based on valuation reports from an independent external appraiser (Finnish AKA report, following IVS). Valuation is made separately for each property. Both comparable transactions method and discounted cash flow method have been used in the valuation. Based on the judgement of the appraiser, the two valuation methods have been weighted in the final valuation.

Loan receivables, trade receivables and other receivables recognized at fair value through profit and loss

The fair value of loan receivables and other receivables for YIT has been calculated by discounting the expected cash flows considering the risk related to those cash flows with a specific discount rate. The discount rate is based on the average maturity, market interest rate for the maturity concerned and the risk premium for the loan or other receivable, if the risk has not been otherwise considered. Trade receivables are valued based on external appraiser's assessment of the market value of the apartments.

Level 3 reconciliation

EUR million	**12/24**	**12/23**
Fair value on 1 January	**270**	**223**
Additions*	3	59
Reclassifications	7	—
Change in fair value from equity investments recognized in income statement (Changes in fair value of financial assets)	-5	-2
Change in fair value from loan receivables, interest-bearing receivables and other receivables recognized in income statement**	-2	1
Change in fair value from equity investments recognized in other comprehensive income	—	—
Settlements / realised fair value changes	-3	—
Deductions	-8	-11
Fair value on 31 December	**262**	**270**

*Amount of additions in Q4/2023 has been adjusted.
**EUR 0 million (0) recognized in changes in fair value of financial assets and EUR 1 million (1) in finance income.

Convertible notes

In March 2024 YIT issued senior unsecured convertible notes with a total nominal amount of EUR 36 million to some of the largest Finnish institutional investors. The coupon of the convertible is 8% per annum. The subscription price of the related 16 000 000 shares is EUR 2.25 per share and is subject to certain potential adjustments in accordance with the conditions of the notes.

The notes were issued at 100 per cent of the nominal amount and, unless previously converted, redeemed or purchased and cancelled, will be redeemed at 100 per cent of the nominal amount on the maturity date, being 19 March 2029.

The noteholders will be entitled to convert the notes into shares in the company in accordance with the conditions of the notes. The shares are offered to the holders of the notes in deviation from the pre-emptive subscription rights of the shareholders. There are weighty financial reasons for the company to deviate from shareholders' pre-emptive subscription rights, as the share issue related to convertible notes forms an integral part of the financing arrangement announced on 12 March 2024, which strengthens the company's balance sheet, improves the company's liquidity position, enables the loan terms more beneficial for the company, and provides equity on terms and timetable that, in the assessment of the Board of Directors, would otherwise not be available.

Should all the notes be converted into shares of the company at the initial subscription price, the shares to be issued by the company would represent approximately 6.5 per cent of all the company's shares immediately after the conversion of the notes. Should adjustments be made to the initial subscription price, requiring an increase of the number of shares to be issued, a separate resolution may be made in accordance with the Finnish Companies Act to increase the number of shares.

Derivative contracts

EUR million	**12/24**	**12/23**
Value of underlying instruments		
Interest rate derivatives (hedge accounting applied)	100	100
Interest rate derivatives (hedge accounting not applied)	200	200
Foreign exchange derivatives	153	188
Fair value		
Interest rate derivatives (hedge accounting applied)	-3	1
Interest rate derivatives (hedge accounting not applied)	—	1
Foreign exchange derivatives	-1	-3

Contingent liabilities and assets and commitments

EUR Million	12/24	12/23
Guarantees given		
Guarantees on behalf of others	—	—
Guarantees on behalf of construction consortia	3	2
Guarantees on behalf of associated companies and joint ventures	—	—
Guarantees on behalf of parent and other Group companies	727	883
Collateral given		
Nominal amount of financial liabilities covered by collateral	359	140
Collateral related to financial liabilities above		
Plots and real estate properties in inventories	161	150
Equity investments	184	192
Interest-bearing receivables	4	
Subsidiary shares*	1,481	
Subsidiary loan receivables*	223	
Other commitments		
Investment commitments	107	82
Purchase commitments	291	317

*Book values of subsidiary shares in the separate financial statements of the owning group company and subsidiary loan receivables in the lender's balance sheet.

Guarantees given are typical in construction industry including, for example, performance and warranty guarantees.

The collaterals given are mainly share, partnership interest or real estate pledges provided as collateral for YIT's financial liabilities. The pledge terms are conventional pledge terms in accordance with market practice.

As a result of the partial demerger registered on 30 June, 2013, YIT has a secondary liability for guarantees transferred to Caverion Corporation, with a maximum total amount of EUR 1 million (5) on 31 December 2024.

Purchase commitments are mainly pre-contracts for plot acquisitions, the realisation of which typically depends on the implementation of zoning. The value of the plot purchase commitments is an estimate which is subject to zoning, amount of building rights and changes in cost indexes. In addition, the amount presented in the notes is based on the estimated acquisition value of the plot, despite conditionalities or possible termination clauses in the contract.

Related party transactions

The Group’s related parties include associated companies, joint ventures and key executives with their closely associated persons. Key executives include the members of the Board of Directors, President and CEO and the Group Management Team.

YIT's related party transactions with key management personnel and Board members other than those shown in the table consisted of normal salaries and remuneration. The sale of goods and services to key management personnel was sale of apartments in 2024. All transactions with related parties are made at arm's length principle.

EUR Million	1–12/24	1–12/23
Sale of goods and services		
Key management personnel	0.36	0.01
Associated companies and joint ventures	105	269
Purchases of goods and services		
Associated companies and joint ventures	—	1

EUR Million	12/24	12/23
Trade and other receivables		
Associated companies and joint ventures	28	19
Interest-bearing receivables		
Associated companies and joint ventures	37	35
Trade payables and other liabilities		
Associated companies and joint ventures	—	—
Interest-bearing liabilities		
Associated companies and joint ventures	7	3

Additional information

Reconciliation of certain key figures

Reconciliation of adjusted operating profit

EUR million	10–12/24	10–12/23	1–12/24	1–12/23
Operating profit (IFRS)	**-17**	**33**	**-55**	**51**
Adjusting items				
Gains and losses on disposal of businesses	—	-47	-16	-47
Items related to restructuring, efficiency and adaptation measures, and other non-recurring costs related to Group management team	17	11	56	20
Operating profit from operations to be closed	13	17	45	17
Depreciation, amortisation and impairment from PPA*	—	—	1	1
Adjusting items, total	**31**	**-20**	**86**	**-10**
Adjusted operating profit	**13**	**13**	**32**	**41**

*PPA refers to merger-related fair value adjustments.

Reconciliation of adjusted EBITDA, rolling 12 months

EUR million	12/24
Adjusted operating profit	**32**
Depreciation and amortisation	21
Depreciation, amortisation and impairment from PPA	-1
Items related to restructuring, efficiency and adaptation measures, and other non-recurring costs related to Group management team	—
Adjusted EBITDA	**51**

Reconciliation of order book

EUR million	12/24	12/23
Partially or fully unsatisfied performance obligations	2,318	2,345
Unsold self-developed projects	623	812
Order book	**2,941**	**3,157**

Reconciliation of adjusted interest-bearing debt

EUR million	12/24	12/23
Interest-bearing debt	**893**	**998**
Housing company loans (related to unsold apartments)	-178	-260
Lease liabilities	-276	-256
Adjusted interest-bearing debt	**439**	**482**

Definitions of financial key performance indicators

Key figure	Definition	Reason for use
Operating profit	Result for the period before taxes and finance expenses and finance income equalling the subtotal presented in the consolidated income statement.	Operating profit shows result generated by operating activities excluding finance and tax-related items.
Adjusted operating profit	Operating profit excluding adjusting items.	Adjusted operating profit is presented in addition to operating profit to reflect the underlying core business performance and to enhance comparability from period to period. Management believes that this alternative performance measure provides meaningful supplemental information by excluding items not part of YIT's core business operations thus improving comparability from period to period.
Adjusting items	Adjusting items are material items outside ordinary course of business such as write-down of inventories, impairment of goodwill, fair value changes related to redemption liability of non-controlling interests, integration costs related to merger, transaction costs related to merger, costs, compensations and reimbursements related to court proceedings, write-downs related to non-core businesses, operating profit from businesses to be closed down, gains or losses arising from the divestments of a business or part of a business, items related to restructuring, efficiency and adaptation measures and other non-recurring costs arising from agreements with the Group management team, impacts of the fair value adjustments from purchase price allocation, such as fair value adjustments on acquired inventory, depreciation of fair value adjustments on acquired property, plant and equipment, and amortisation of fair value adjustments on acquired intangible assets relating to business combination accounting under the provisions of IFRS 3, referred to as purchase price allocation ("PPA"). YIT has clarified the definition of Adjusting items on 1 January 2022 to include also other non-recurring costs arising from agreements with the Group management team in addition to restructuring, efficiency and adaptation measures related items.	
Capital employed	Capital employed includes tangible and intangible assets, shares in associates and joint ventures, investments, inventories, trade receivables and other non-interest bearing receivables, provisions, advance payments and other non-interest bearing debts excluding items related to taxes, finance items and profit distribution. Capital employed is calculated from the total capital employed of the segments.	Capital employed presents capital employed of segment's operating business.
Interest-bearing debt	Non-current and current interest-bearing liabilities including non-current and current lease liabilities.	Interest-bearing debt is a key figure for measuring YIT's total debt financing.
Adjusted interest-bearing debt	Non-current and current interest-bearing liabilities less Finnish housing company loans and other project loans related to self-developed construction projects. (YIT has added the key figure in Q4/2024)	Adjusted interest-bearing debt describes the YIT's total debt financing excluding lease liabilities, Finnish housing company loans and other project loans related to self-developed construction projects. The key figure provides useful information on the amount of YIT's financial debt.
Net interest-bearing debt	Interest-bearing debt less cash and cash equivalents and interest-bearing receivables.	Net interest-bearing debt is an indicator for measuring YIT's net debt financing.
Adjusted net interest-bearing debt	Adjusted interest-bearing debt less cash and cash equivalents and interest-bearing receivables. (YIT has added the key figure in Q4/2024)	Adjusted net interest-bearing debt describes the YIT's net debt excluding lease liabilities, Finnish housing company loans and other project loans related to self-developed construction projects. The key figure provides useful information on the amount of YIT 's financial net debt.
Equity ratio, %	Equity total/total assets less advances received.	Equity ratio is a key figure for measuring the relative proportion of equity used to finance YIT's assets.
Gearing ratio, %	Interest-bearing debt less cash and cash equivalents and interest-bearing receivables/total equity.	Gearing ratio is one of YIT's key long-term financial targets. It helps to understand how much debt YIT is using to finance its assets relative to the value of its equity.

Key figure	Definition	Reason for use
Gearing ratio, %, adjusted	Adjusted interest-bearing debt less cash and cash equivalents and interest-bearing receivables/total equity. (YIT has added the key figure in Q4/2024)	The key figure provides useful information on the debt/equity ratio excluding lease liabilities, Finnish housing company loans and other project loans related to self-developed construction projects.
Return on capital employed, segments total (ROCE), %, rolling 12 months	Rolling 12 months adjusted operating profit/capital employed, segments total average.	Return on capital employed, % is one of YIT's key long-term financial targets. Key figure describes segment's relative profitability, in other words, the profit received from capital employed.
Return on equity, %	Result for the period, 12 months rolling/equity total average	Key figure describes YIT's relative profitability.
Operating cash flow after investments	Operating cash flow presented in cash flow statement after investments.	
Order book	Transaction price allocated to performance obligations that are partially or fully unsatisfied and estimated transaction price related to unsold own developments.	Order book presents estimated transaction price for all projects.
Gross capital expenditures	Investments in tangible and intangible assets.	
Equity per share	Equity total divided by number of outstanding shares at the end of the period.	
Net debt/adjusted EBITDA ratio (rolling 12 months)	Net debt/rolling 12 months adjusted operating profit before depreciations and amortisations added	Net debt to adjusted EBITDA gives investor information on ability to service debt.
Interest cover ratio	Adjusted operating profit before depreciations and amortisations/ (net finance costs - net exchange currency differences), rolling 12 months	Interest cover ratio gives investors information on YIT's ability to service debt
Market capitalisation	(Number of shares - treasury shares) multiplied by share price on the closing date by share series.	
Average share price	EUR value of shares traded during period divided by number of shares traded during period.	

Financial Statements Bulletin 2024: Appendix 1
Most significant short-term business risks

Strategic risks

RISK	RISK DESCRIPTION AND IMPACT	RISK MANAGEMENT
Market risks	• General economic development, the performance of the financial markets and the political environment in YIT's countries of operation affect the company's business operations. • Domestic and foreign policy tensions in the EU, countries close to the EU, the USA and Russia, or other international tensions, affect the demand for construction and create business complications. • Russia's continued hostilities in Ukraine and the increased threat of an escalation have a negative impact on our operating environment, customers' willingness to invest and the company's business operations at large. • The unrest in the Middle East and the threat of an escalation increase the uncertainty in terms of both demand and the financial markets. • A decrease in the prices of properties to be sold or held, as well as a slower-than-expected decrease in interest rates and investors' continuously high return requirements, if materialized, pose a risk to the company's profitability and the valuation of assets. • Supply chain disruptions caused by events such as bankruptcies or other performance issues arising from the general economic situation affect the performance of subcontracts and the availability of materials, increasing the risk of delays in project completion. • Changes in customer preferences and in the competitors' offerings reduce the demand for the company's products and services. • New competitors, business models and products may pose risks related to demand for the company's products and services. • Higher prices and interest rates, increased supply of rental housing or reduced demand for business premises or homes among tenants, and better yields of alternative investments may lead to a decrease in investor demand. • An excessively high level of capital committed to finished but unsold products complicates the financial situation of the company and the projects, jeopardizing the launch of new projects and increasing financing costs.	• Continuous monitoring and analysis of market developments and the operating environment. • Realization of financing and project model solutions with partners. • Continuous monitoring of yield requirement levels, the tender portfolio and the sales situation. The Group reacts to changes in the market situation by refraining from exceeding the risk limits associated with production, completed projects and capital. • Exploiting YIT's extensive business portfolio and market reach by shifting the focus of business operations to lower-risk business opportunities. • Contract structures, practices and a diverse supplier network that make it possible to reduce the negative impacts of changes in prices and availability. • Ensuring competitive products and services that correspond to customer demand. • Alternative investors and users are assessed for projects, starting from the design phase. Making projects as flexible as possible so that the spatial solutions can serve different customer and user groups. • Using adequate but reasonable measures to limit the number of unsold completed projects.

RISK	RISK DESCRIPTION AND IMPACT	RISK MANAGEMENT
Climate change	• Climate change may present physical, legislative, technical, financial, market and reputation risks to the company's business. • Extreme weather, such as considerably higher annual rainfall or extended periods of hot weather, may lead to increased costs, changes in planning processes or delays in production. • Costs related to CO2 emissions or emission reductions may create pressure with regard to the supply chain or the development of new solutions as the construction industry transitions to alternative building materials and seeks more effective ways to reduce emissions. • Increasing sustainability-related requirements among customers, investors and other stakeholders may be reflected in the company's customer demand, financing conditions and attractiveness as an investment or a development partner. • Failure to reach the emissions targets may affect the availability or cost of financing. • Climate change mitigation and adaptation may lead to rapid and significant legislative constraints and requirements.	• Regular assessment of climate risks and opportunities based on climate scenarios • Project-specific climate risk assessments for climate change adaptation • Setting ambitious goals to guide operations and operational development • Incorporating sustainability criteria into investment and tendering processes. • Developing employee competence • Active cooperation and dialogue with value chain actors to develop alternative construction materials and solutions. • Proactive project and product development, piloting new solutions, and active cooperation throughout the value chain. • Active and proactive monitoring of legislation and impact assessment and interaction with stakeholders • Proactive monitoring of legislation and impact assessment
Risks related to sustainability legislation	• Changes to regulations concerning sustainability, or changes in the interpretation of the regulations, may lead to declining investor and consumer demand, a lower availability or higher cost of financing, or otherwise weaken the company's operating conditions. • The measures required by sustainability legislation may also result in additional costs	• Detailed evaluation of legislative requirements and related impact assessment • Accurate and transparent sustainability reporting
Changes in legislation and requirements	• Changes in legislation and the authorities' permit processes may slow down the progress of projects, increase net debt, increase the need for equity or debt financing or prevent additional funding from being realized. • In individual projects, zoning, building permits and approvals and interpretations by the authorities, among other factors, can increase risks and, for example, postpone orders, revenue or cash flow from one quarter or year to another.	• Continuous monitoring of changes in legislation and regulations. Active participation in zoning and planning to support risk management. Comprehensive identification and assessment of risks that affect projects and the project portfolio before making tender or start-up decisions. • Active dialogue with stakeholders and the authorities throughout the project life cycle. Using proactive project risk management to ensure that last-minute decisions or changes will not have a significant impact on the start or completion of projects and consequently on financial indicators.

RISK	RISK DESCRIPTION AND IMPACT	RISK MANAGEMENT
Country risks	**Finland** • Finland accounts for a significant share of YIT's business, which underscores the significance of Finland's economic development for the company's business operations. • Slowing growth in the Finnish economy, inflation, high interest rates, migration and increasing public sector debt may weaken consumers' purchasing power and general confidence, which may have a negative impact on the demand for apartments and business premises. An increase in public sector debt can make it more difficult to finance infrastructure investments, especially in the municipal sector. • Recession, negative development in purchasing power. • Increased supply, slower population growth or strong local migration loss may have a negative impact on housing demand locally • In Finland, disruptions or significant changes in project financing and housing company loans can affect the company's ability to finance construction-time costs and have indirect impacts on customer demand. **Central Eastern Europe** • There are uncertainty factors related to the operations of the authorities, as well as permit processes and their efficiency, which may result in significant delays in project development. • Regulatory processes and unforeseen delays in acceptance inspections for construction projects may affect quarterly revenue recognition for self-developed sites. • Increasing political risks may affect demand or otherwise complicate business operations. • There is an increased risk related to labor and migration from outside the EU, for example. • The possible end of the war in Ukraine and the reconstruction of Ukraine may cause production bottlenecks and price inflation, as well as problems in the availability of labor and materials.	**Finland** • Continuously monitoring the economic development and public sector investments in Finland. • Engaging in risk management related to project financing and the availability of housing company loans by managing working capital and financial reserves through efficient allocation and use of capital, by reducing lead times and by ensuring sufficient financing capacity. • Developing project funding models and cooperation with partners. **Central Eastern Europe** • Continuously monitoring the economic development and public sector investments. • Close cooperation with the authorities to ensure handovers and the processing of permits. • Housing production is a relatively low-risk business in terms of political risks. • Sales risk management through dynamic sales price changes and sales tracking. • Monitoring has been increased in the company's production and procurement operations with respect to the terms of employment and human rights issues. • Linking subcontracts and key materials in offer calculation and during the golden time frame, as well as avoiding long fixed-price contracts or using indexing • Reducing lead times has the potential to reduce delays in project revenue recognition caused by delays in regulatory processes.
Corporate governance	• The industry's special characteristics, the geographical dispersion of the company's operations, the large number of contracts and the fixed-term nature of projects may lead to risks related to matters such as corruption, bribery, the grey economy and labor exploitation. • Lack of commitment among suppliers to the YIT Code of Conduct can pose risks to human rights or reputational risks to the company.	• YIT is committed to good corporate governance through compliance with laws and regulations. • YIT trains its personnel to act responsibly. • YIT has updated its sustainability strategy. YIT continues its zero-tolerance policy towards the grey economy, corruption, labour exploitation and discrimination. YIT is also undertaking purposeful action to promote sustainability throughout its supply chain. Going forward, YIT will require its suppliers to make the same commitments to environmental, social and governance criteria as YIT has set for itself.

RISK	RISK DESCRIPTION AND IMPACT	RISK MANAGEMENT
Reputation risks	• Topics discussed in the public debate concerning the construction industry or the company's operations may, either justifiably or unjustifiably, reduce trust in the company and have a negative impact on its reputation. Such topics include the grey economy, unethical activities and quality problems in construction.	• Continuous development of the Group's governance model, preventive risk management and monitoring practices in connection with sustainability issues, for example. • Communicating with stakeholders quickly, reliably and openly. • Providing training and guidelines for the personnel and partners; using a monitoring system • Developing crisis communication practices and ensuring the communication capabilities of key personnel.
Investments & divestments, mergers and acquisitions	• The company's investments, divestments, mergers or acquisitions may prove to be contrary to the strategy or fall short of the set objectives.	• Applying the gate model and the gate-specific approval practices and criteria stipulated by the model to the preparation of investments and divestments and the related decision-making. Ensuring that individual investments and divestments are in line with the investment policy and satisfy the criteria of the gate model, including a risk assessment prior to approval. • Ensuring that the start of an acquisition or divestment process for a business of material significance and decision-making on the final transaction are always subject to approval by the Group's President and CEO, the Group Investment Board, the Investment and Project Committee of the Board of Directors and YIT Corporation's Board of Directors. • Conducting the processing and decision-making related to acquisitions and divestments, i.e. the acquisition or sale of a legal entity (share transaction) or business (asset deal) where the purpose of the transaction is to acquire or divest a business, in accordance with YIT's gate model for acquisitions and divestments and the relevant gate-specific approval practices and criteria. • In processing and decision-making concerning associated companies and joint ventures, YIT applies the gate model of the company in question and the relevant gate-specific approval practices and criteria. • Investing in a joint venture or associated company, or establishing such a company or divesting YIT's holding in such a company and exiting a joint venture structure is always subject to approval by the Group's President and CEO and the Group Investment Board. The aforementioned decision-making and control measures are intended to ensure the fulfillment of objectives in line with YIT's strategy and investment policy criteria.
Strategic development projects and strategy implementation	• The Group may not be able to implement or adjust its strategy in its operating environment, or the chosen strategy may prove to be incorrect, which may have adverse impacts on YIT's financial performance.	• YIT has published a new strategy for 2025–2029, and has updated its financial targets. • The financial targets will be achieved by focusing on three strategic priorities: 1) achieving industry-leading productivity and financial performance; 2) creating targeted growth and resilience; and 3) further improving the customer experience and the employee experience • More detailed measures and targets will be defined under each priority • The company ensures the implementation of its strategy by regularly monitoring the progress of more detailed measures and the achievement of targets, and by actively updating them if this is required to ensure the implementation of the strategy.

Operational risks

RISK	RISK DESCRIPTION AND IMPACT	RISK MANAGEMENT
Resources and personnel	• Ensuring the commitment of skilled staff in a challenging market situation.	• Management and key personnel have been provided with change management coaching based on inspiring gamification methods, and human-centric change management models have been introduced as part of the company's development projects • Supervisors have been trained to conduct high-quality development discussions (Focus on People) and give feedback that supports growth and development (FeedForward). We have created the YIT Leadership TALK Keynote series, which is open to anyone interested in leadership development. We have strengthened our feedback culture by introducing a digital tool called Compliment a Colleague • We have enabled temporarily laid-off experts to become instructors through coaching, and we have also provided temporarily laid-off employees with other types of coaching on general competencies such as leadership. • Supervisors are encouraged to keep in touch with temporarily laid-off employees.
Risks related to occupational safety, inappropriate treatment and human rights	• Occupational safety risks, typically various accidents and hazardous situations that primarily lead to injury or material damage. The majority of accidents at work are related to mobility, such as trips, falls and slips, and to using manual tools on construction sites. Hazardous situations arise in relation to falling materials during lifting or when employees work above or below other workers. • There are risks related to human rights throughout the supply chain, including labor exploitation, working conditions, harassment, racism, discrimination and other unethical conduct. The chaining of contracts typically makes it more difficult to retain transparency in the construction industry. If these risks materialize, it will affect the company's reputation as a responsible operator.	• Engaging in preventive occupational safety measures such as safety planning, management walks, safety observations, weekly onsite meetings and safety briefings, orientation and training. Investigating accidents and hazardous situations, internal communications. • Supplier requirements and audits related to labor and human rights. • We have updated and further specified our guidelines on preventing and managing harassment and inappropriate behavior • We have included a question concerning sexual harassment in our YIT Voice personnel survey, in addition to a previous question about bullying and inappropriate treatment • We have coached supervisors to prevent and address harassment and inappropriate treatment, and have provided tools for creating common rules for teams.

RISK	RISK DESCRIPTION AND IMPACT	RISK MANAGEMENT
Procurement risks	• The high level of subcontracting in the construction industry and the specialization of areas of expertise may involve risks related to the management of contracting chains. The fact that light entrepreneurship has become more common has increased the risk of the grey economy on construction sites. • Foreign workforce can involve risks pertaining to labor and human rights, for example. Mobility of labor within the EU has increased, and the number of workers from third countries is significant. • Availability and delivery disruptions can delay the implementation of projects and involve additional costs. • Procurement-related sustainability issues and international operations may increase the risks and significant adverse reputational impacts related to the realization of labor rights and human rights, as well as the challenges associated with the management of chained contracts. • Realization of human rights and challenges in the management of contracting chains. • The delivery times, availability and prices of construction materials may vary as a result of global supply chain challenges. • Challenging market conditions may lead to bankruptcies of subcontractors, which cause significant scheduling and cost challenges on construction sites • Circumvention of sanctions and materials originating in undesirable countries	• The efficiency risk of the procurement function is managed as part of project management, in addition to which the use of standard solutions will be increased. Reducing supply chain risks through effectively managed lean construction. • Proactive risk management in the planning phase of projects and the selection of partners. Use of annual contracts and forecasting purchases. YIT is able to prevent access to construction sites for subcontractors that do not meet the criteria set for suppliers. • YIT aims to develop mutually beneficial long-term relationships with its partners. Continuously developing sustainability-related matters in procurement; for example, ensuring compliance with obligations throughout the supply chain. Ensuring suppliers' commitment to the Supplier Code of Conduct. Continuous monitoring of projects and the supply chains and partners involved in projects by means of information systems and audits. • Transition to category procurement, as well as developing a new procurement system that manages supplier information, will ensure better supplier risk management in the future and, for example, the use of only permitted suppliers that meet the criteria defined by YIT and the category. • Developing the monitoring of the working conditions of foreign workers. Using supplier requirements related to labor and human rights. Requiring a residence permit issued by the Finnish authorities and the related right to work for posted workers from outside the EU, EEA or Switzerland. Using site access control systems to identify workers from third countries. Regularly conducting anonymous surveys of foreign workers with a focus on working conditions, housing conditions and labor exploitation.

RISK	RISK DESCRIPTION AND IMPACT	RISK MANAGEMENT
Acquisition risks related to plots of land and properties	• Land use planning and the general market development may be reflected in the availability, risks and economic feasibility associated with plots of land and building rights. • External uncertainties such as changes in legislation and regulations, construction-related requirements and interpretations by the public authorities, and the replacement of decision-makers may present risks that have a financial impact. Complaints related to zoning and building permits may cause delays and additional costs. • The efficiency of YIT's own land acquisition and the sufficiency of building rights may pose risks. Deficiencies in initial data or incorrect project calculations may lead to incorrect pricing of plots. • Delays in starting projects may tie up more capital than planned and lead to higher financing costs.	• Continuously monitoring the sufficiency of the plot reserve to ensure continuity of the business and the economy of operations. Continuous monitoring of land acquisitions and commitments to ensure capital efficiency and manage financial risks. • Acquisitions or sales of plots of land are subject to the approval of the Group's President and CEO and the Group Investment Board and, depending on the size of the transaction, the approval of the Board of Directors' Investment and Project Committee and the Board of Directors. • For individual plot acquisitions, managing uncertainty through participation in area development and zoning, for example. Using due diligence, risk transfer and plot acquisition structuring practices to mitigate and manage risks.
Project and property risks	• Risks related to diversity, planning management, the quality of the tender and planning documentation, and the suitability of the contracting form, as well as project lifecycle risks.	• Breaking down projects into appropriate implementation packages and choosing the right method of implementation, particularly in self-developed projects. Proactively identifying the risks and opportunities and preparing a project risk management plan before the start of the planning phase. Dividing the risks between the project participants. • Managing planning and changes to plans and designs. Designing projects to be flexible and adaptable where possible. Ensuring the economic feasibility of projects during the management of planning. • Completing the planning process before the start of the implementation phase and taking advantage of the golden time frame in production planning when the plans have been completed. • Efficiently managing procurement and ensuring active participation of the procurement function in the management of planning.

Project risks

RISK	RISK DESCRIPTION AND IMPACT	RISK MANAGEMENT
Changes in the operating environment, and hybrid operations	• Political, macroeconomic and social changes, as well as changes related to technological development and the regulatory operating environment. • The escalation of geopolitical risks that are reflected in general uncertainty and demand. Risks related to the availability and price of energy have a direct and indirect negative impact on the company's business operations through construction materials. Geopolitical risks may affect the actions of central banks and the market interest rates, which will in turn affect the valuation of assets on the balance sheet. • Hybrid operations may affect the availability of information systems or data connections used by the company • Hybrid operations targeted at critical infrastructure projects or intelligence operations may have a negative impact on the company's business operations.	• Continuous monitoring of market and area price development, each area's image and the zoning situation. • Comprehensive risk identification, risk assessment and action planning as part of decision-making pertaining to plot acquisition, planning, bidding and the start of construction. Appropriately pricing the risks, especially in long-term projects. • Monitoring market reactions and taking targeted adjustment measures. • Increasing the personnel's vigilance and awareness of hybrid operations. Active participation in stakeholder cooperation. • Increasing the company's resilience and planning for business continuity in different event scenarios
Project portfolio risks	• Efficiency risks and financial risks if the company is unsuccessful in site selection, tendering, contract negotiations or project management. • The project requirements do not correspond to YIT's competencies, resources or profitability targets. • The risks associated with individual large projects may jeopardize the Group's financial performance.	• Managing the project portfolio so that the set targets can be achieved within the planned risk thresholds. Focusing on the implementation of projects in accordance with the targets set in the strategy and annual planning. • Ensuring and planning key resources and competencies before making the final commitment to a project in the tendering and/or project development phase. • Using the decision-making authorizations defined in the YIT investment policy with risk ratings to determine the decision-making level and profitability target of the project. • Focusing on the pre-selection of large projects by using gate review practices before the project development phase. Risk and project management in large projects involves more frequent monitoring and review practices than normal projects during the implementation phase in addition to financial reporting reviews.
Environmental risks	• Operational risks related to the environment may be locally significant in the event of a fuel leak or soil contamination, for example. • The most significant acute environmental risks are related to the handling of hazardous materials. • Due to their location or the construction methods used, construction projects may give rise to risks related to the loss of biodiversity. • Risk of the loss of biodiversity. Raw material is not available at all or not available in sufficient quantities, or the production or processing of the raw material may have negative impacts on biodiversity. • The use of water and the risk of wastewater discharges affect freshwater and marine ecosystems.	• Using construction site operating instructions to ensure the identification of risks and their prevention and management. • Conducting an environmental risk assessment during the planning phase of the largest projects. • Planning measures to protect biodiversity on a project-specific basis during the planning phase. Calculation of the nature footprint and consideration of nature impacts in procurement. • Reducing or avoiding the use of chemicals, and purifying or neutralizing wastewater.

RISK	RISK DESCRIPTION AND IMPACT	RISK MANAGEMENT
Efficient use of resources	• Inefficient or wasteful use of materials, energy and water. • Continued use of materials based on primary raw materials because of a lack of availability of secondary raw materials or a lack of the knowledge and skills necessary to use secondary raw materials. • Increase in material costs when purchasing materials containing more expensive secondary raw materials. • The availability of materials containing secondary raw materials may decrease as the demand for these materials grows.	• Material-efficient design and worksite guidance • Developing supplier cooperation, highlighting sustainability criteria in supplier selections, and supplier evaluations. • Emphasizing environmental and sustainability criteria and building demand for environmentally friendly solutions.
Customer and end user risks	• The implementation of self-developed projects includes a sales risk due to changing economic cycles. • In the case of contracting projects and investor sales, the fixed price implementation form in particular poses a profitability risk as inflation related to material costs continues. • In contracting projects, the requirements of the client organization, the quality of the plans and the risks related to the effectiveness of cooperation. Additional work and alterations during the project in proportion to the original project package are a risk, especially in the case of target price or price ceiling contracts. • The implementation and completion of projects, as well as the warranty and maintenance period, may involve risks that can reduce project profitability.	• In self-developed projects, the management of a sufficient sales or lease rate through market-based pricing, as well as the regular monitoring of stock under construction and completed stock and the implementation of sales promotion measures, if necessary. • Preparing for cost increases through sufficient provisions and aiming to tie the costs of key materials to indices where possible, especially in projects lasting more than 12 months. Tying of key procurement categories as early as the project development phase. • Through active cooperation with the client and the designers, seeking collaborative implementation models to mitigate risks related to the implementation phase and improve the management of additional work and alterations. • Customer communication and managing customer insight. Managing contracting forms and contract structures. Use of legal expertise in the drafting of contracts. Compliance with the general contractual terms.
Risks related to project implementation and liability period	• Project management challenges in individual projects may jeopardize the achievement of the financial targets, particularly in the case of large projects. • The project implementation phase includes various risks involving factors such as the following: construction feasibility; unexpected changes in project scope, yield or costs; partners; performance of the construction site and contractors; schedules; the environment; occupational health and safety; quality deviations; complaints; liability repairs; and service-level deviations. Impact of the aforementioned risks on the project's financial performance and financial reporting.	• Project deviations and their impact on project performance are monitored as part of YIT's monthly reporting and monthly reviews. Significant deviations are highlighted in monthly reviews or gate reviews, with corrective measures and follow-up actions planned. • Preparation of a risk management plan as early as the development phase of the project and continuous maintenance of the plan and assessment of the financial impacts as part of project management and reporting. Risk gate reviews and escalation of deviations. Discussing the risks in monthly financial reports. • Continuous maintenance and development of the project personnel's risk management skills through regular training. • In the case of large projects, conducting reviews more frequently in the implementation phase and ensuring that not only project management but also group- and segment-level management attend the reviews.

Financial risks

RISK	RISK DESCRIPTION AND IMPACT	RISK MANAGEMENT
Reporting risks	• Changes in accounting standards and their interpretations may lead to changes in YIT's accounting policies and consequently affect YIT's financial indicators. • The actual figures and forecasts related to customer projects constitute a significant part of YIT's financial reporting. Risks such as project implementation and liability period risks may have an unexpected impact and may therefore affect YIT's financial performance.	• Managing risks related to financial reporting with the aid of the Group's accounting principles, financing and tax policy, investment guideline, acquisition instructions, control environment and internal control. • Actively monitoring the development of accounting standards and assessing their impact. • Maintaining and consistently complying with the defined accounting principles. • Continuously monitoring business forecasts, training personnel and developing the reporting and ERP system.
Financial risks	• The most significant financial risks are related to the availability of financing (acquisition of new loans and refinancing), liquidity, interest rates and the development of foreign exchange rates. • The company has regular financing needs and an extensive portfolio of financial instruments. Depending on the prevailing situation in the financial markets and the development of the company's profitability and/or financial position, the availability of financing may decline, or the price of financing may increase. Some of the company's financing agreements and credit limits are subject to compliance with certain financial covenants. • The desire of banks and investors to limit their own risk exposure in the construction sector, which may lead to a reduction in the availability of financing or other credit facilities, making it more difficult to start or participate in new projects. • The Group's most significant exchange rate risks are related to investments made in currencies other than the euro in Group companies located outside the euro area, such as zloty-denominated investments in Poland. • Higher interest rates in euros and the Group's other operating currencies increase the financing costs.	• Ensuring that sufficient credit facilities and a sufficient number of sources of financing are available and actively manage financing agreements. • Aiming to safeguard the sufficiency of financing so that the liquidity available to the Group matches the Group's overall liquidity requirement at all times. • The Group's foreign exchange risk is managed through foreign exchange forward contracts, used for hedging debt investments in Group companies, among other measures. Managing the translation risks arising from equity investments by optimizing the capital structure of Group companies. • Interest rate risk is managed by striving to set the average interest rate fixing period of the Group's liabilities close to the interest rate sensitivity level of the Group's business. The average interest rate fixing period of liabilities and the ratio between fixed rate and floating rate liabilities are monitored. Sensitivity analyses are also conducted for the Group's interest rate risk. Interest derivatives are used for hedging against interest rate risk. • More detailed information on financial risks and their management is provided in Note 30 to the consolidated financial statements.
Capital efficiency	• Excessive growth of capital if YIT fails to manage the capital employed. This would lead to increased financing costs and the risk of non-compliance with key financial covenants. A reduction in the company's strategic leeway. • YIT's measures to increase capital efficiency may result in write-downs or expenses that may have a negative or positive financial impact.	• Continuously assessing the use of the capital employed and its allocation to the business functions, and taking the necessary action to improve capital efficiency.

Event risks

RISK	RISK DESCRIPTION AN IMPACT	RISK MANAGEMENT
Information systems, data security and data protection	• The cybersecurity incident risk could jeopardize the continuity of business. • Prolonged disruptions in supply chains can slow down service provision. • The rapid development of artificial intelligence may involve risks related to compliance and the confidentiality of information. • A repair backlog and the development needs of systems supporting the business processes will slow down business growth.	• Developing controls as a continuous process, ensuring detection and resolution capabilities. Ensuring continuity of critical services. • Identifying critical actors related to services and ensuring exceptional arrangements for service provision. • Controlling development through a common model, limiting technical threats. • Developing information systems to support the business through a shared development plan.
Pandemics	• Epidemics or pandemics may have direct or indirect impacts on the Group's operations and risks, such as the availability of personnel, sickness rate, administrative decisions and the availability and price of materials and financing. These can lead to the temporary closure of construction sites or slower progress and delays in completion, and consequently financial risks and risks associated with financial reporting. • Epidemics or pandemics can have an impact on the occupancy rates of properties owned and sold and, consequently, their values. • A prolonged pandemic can affect consumers' and investors' purchasing decisions and their timing.	• Active monitoring of weak signals to enable timely preparedness if necessary • Ensuring the continuity of construction sites and procurement through analyses, substitution arrangements, the scheduling of work and breaks, appropriate hygiene standards and active communication. • Active dialogue with various stakeholders and the authorities.
Violations of sanctions	• The networked nature of construction projects and their long subcontracting chains may lead to violations of sanctions imposed under the applicable legislation, leading to negative impacts on the company's business operations and financing.	• Supervision of sanctions and sanction lists and testing of contractual partners on a risk basis and in selected projects concerning all contractual partners and subcontractors in the contract chain. • Commitment of partners to ethical principles • We provide the procurement organization and other key personnel with training and guidance on sanctions

RISK	RISK DESCRIPTION AND IMPACT	RISK MANAGEMENT
Criminal offences, misconduct and other serious non-conformities	• YIT's business operations are local and project-oriented. Criminal offences and incidents of misconduct are typically related to construction site functions or procurement. The networked and chained operating principles in the construction industry and the relatively low barrier to entry may create conflicts of interest or risks involving the grey economy. In particular, foreign workers in subcontracting chains may be at risk of occupational exploitation. • Climate change, economic uncertainty, geopolitical escalation and political activity may increase the probability of incident risks.	• In recent years, the construction industry has developed risk management concerning the grey economy. Examples of this include the VAT reverse charge, reporting in compliance with the Act on the Contractor's Obligations and Liability when Work is Contracted Out, the use of the Valtti card, and monthly company- and employee-level reporting to the Finnish Tax Administration. • YIT's risk management is based on the Group's values, leadership principles, Code of Conduct and Supplier Code of Conduct. • Decision-making authorizations have been defined at the Group level and separately in each business segment. In addition to the Group's investment management teams, the segments have their own investment management teams that operate within their own decision-making powers. • Detecting and addressing serious non-conformities through an escalation procedure. • For risks that are insured against, the Group decides on and acquires Group insurance and supports the business units in insurance-related matters. • Proactively managing the risks, typical examples being conducting risk assessments for contractual partners and acquired properties before making any commitments and managing corporate security risks on construction sites with the aid of access control and CCTV systems. • Investigating serious non-conformities in accordance with the agreed process, minimizing damage, and continuous development based on the lessons learned. • Code of Conduct and regular Code of Conduct training for the personnel. The Group's WhistleBlowing channel • Stressing the importance of alertness regarding incidents in business operations and on the company's sites.

Together we can do it.

YIT Corporation

P.O. Box 36, Panuntie 11
FI-00621 Helsinki
Tel. +358 20 433 111

www.yitgroup.com

x.com/YITInvestors