



Joint ventures and associated companies in Residential CEE

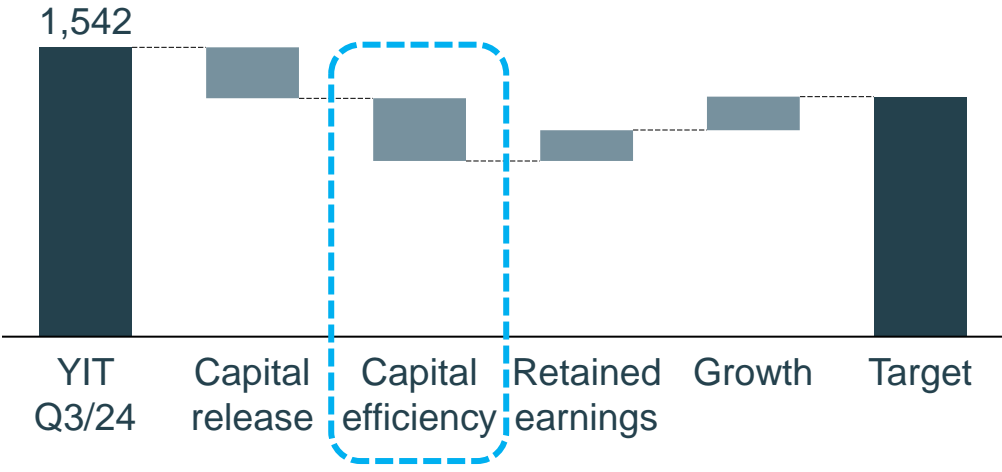
19 December 2024
Silent call



Increased capital efficiency and returns to ensure resilience

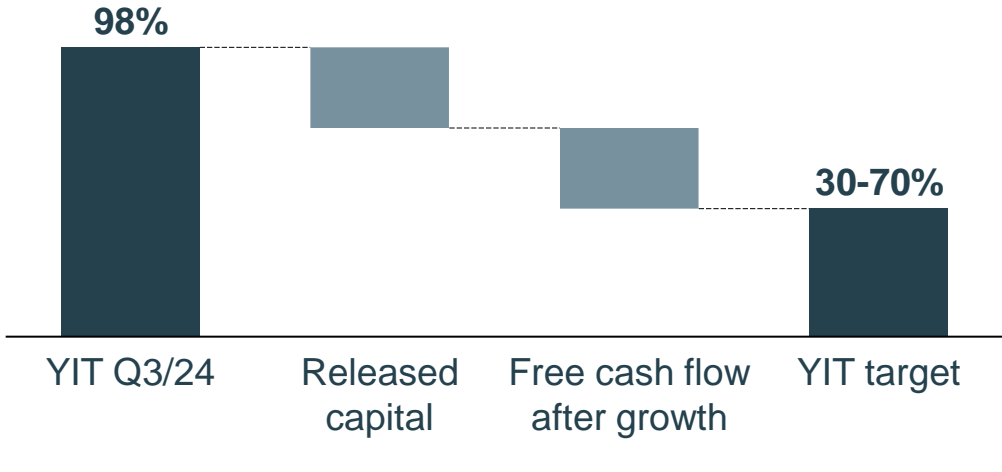
Material from YIT's Capital Markets Day

Development of capital employed EUR million



- Release capital by divesting non-core investment properties and ownership in selected associated companies
- Improve **capital efficiency** by lowering completed apartment inventory and faster plot conversion, **project financing models** and NWC reduction

Development of net debt to equity %



- Generate cash flow by the capital release measures
- Drive capital efficiency and retained earnings to generate free cash flow after growth
- Operate within 30-70% Net debt to equity to ensure resilience

Project development joint ventures in Residential CEE enable capital efficient growth

- Project development joint ventures are used to develop, produce and sell residential projects jointly with co-investors
- YIT uses JVs in Residential CEE project development to split the development and/or sales risk and allow for a capital-efficient operating model. The JVs are also a versatile partnership where the competencies of both parties are combined and utilized.
- We utilize project development joint ventures currently in the Czech Republic, Slovakia, Latvia and Lithuania
- The model is capital efficient with co-investors and debt financiers providing capital. Further, it releases capital to YIT through project and plot sales at establishment.
- The joint ventures are funded with equity from joint investors and external non-recourse project debt
- YIT's associated companies and joint ventures enable YIT to construct over 2,000 new homes in the CEE countries

The JV buys the project concept and the plot either from YIT or from a third-party

The project is contracted by YIT or a third-party contractor

The JV targets to sell the apartments during the construction period or soon after completion



Recently announced joint venture projects in Residential CEE enabling currently the construction of approximately 2,000 YIT homes

We build highly functional and sustainable homes and living environments in growing cities

Riga, Latvia



Mārpagalme 2

Second phase of Mārpagalme area project in one of the greenest and most sought-after neighbourhoods in Riga

Construction

Began in July 2023 and is scheduled for completion in the first quarter of 2025.

Bratislava, Slovakia



Mlyrnaka Project

Residential projects, offices and other civic amenities and services in the area in multiple phases

Construction

First phase planned to begin in Q4/2025. The project is projected to take around 10 years to complete.

Brno, Czech Republic



Židenice area

First project in the growing university city of Brno. Approximately 750 apartments will be built.

Construction

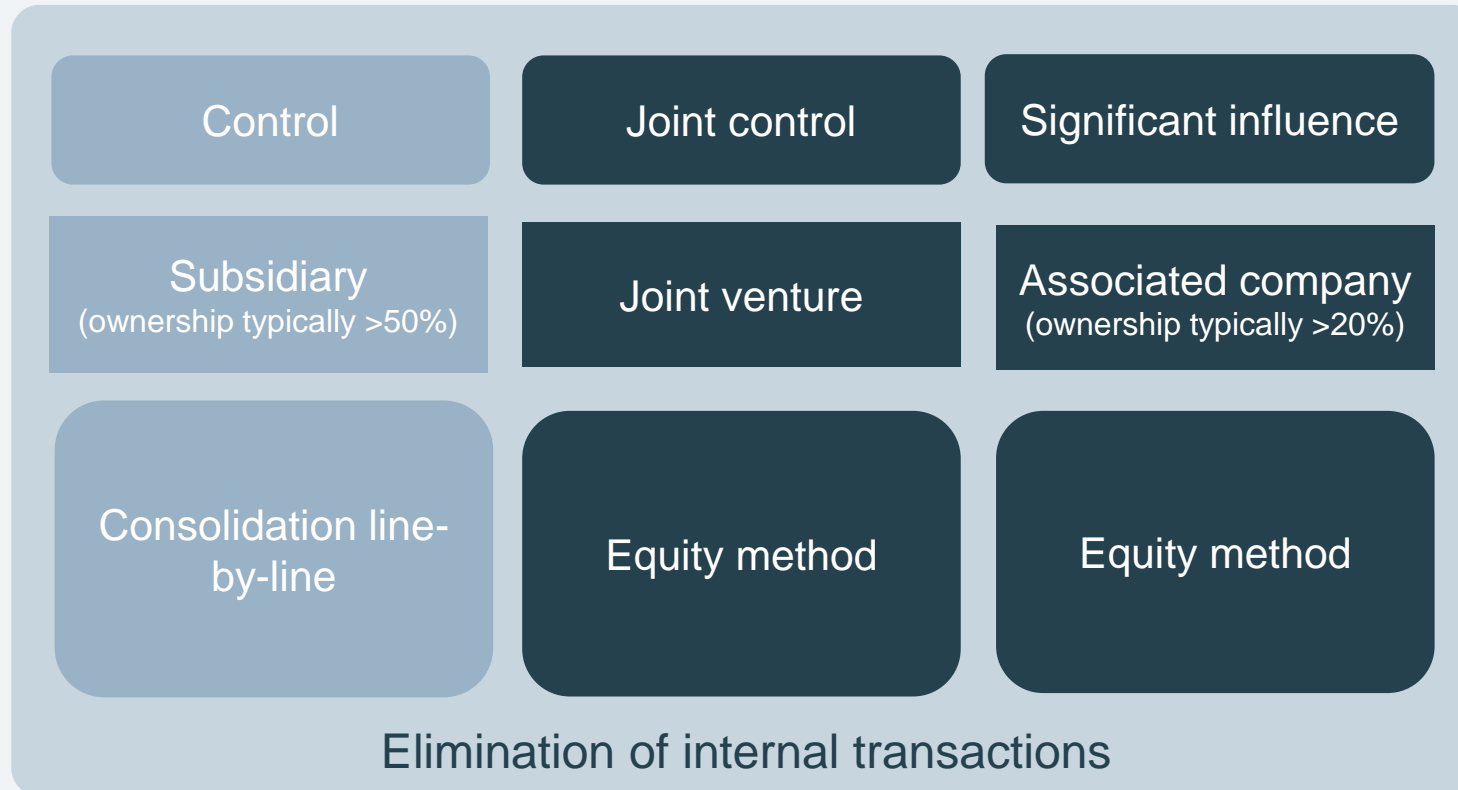
Expected to start in spring 2025, and the last project in the area is expected to be completed by summer 2031

Joint venture and associated company consolidation and reporting

Amount of power over the investee

Investment type in consolidation

Consolidation method

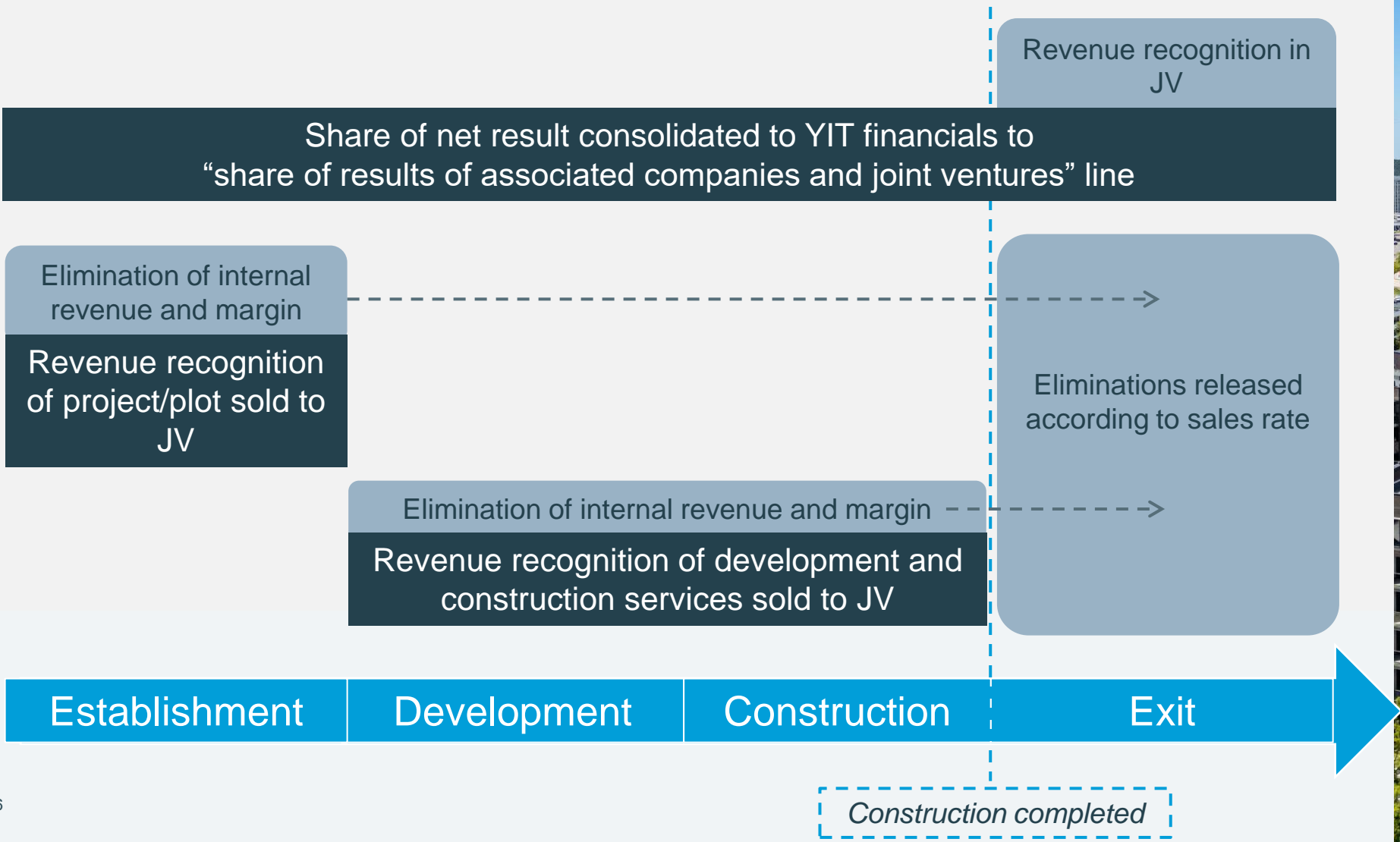


Equity method

- YIT's share of the results of investee corresponding to its ownership stake is included in the consolidated income statement and presented under the line item "Share of results of associated companies and joint ventures".
- YIT's share of the equity in the associate or joint venture, including possible goodwill arising from its acquisition, is included in consolidated statement of financial position under the line item "Investments in associated companies and joint ventures".

Project development JV's effect on YIT's financials

50-50 ownership, illustrative example



**Together
we can
do it.**