



Annual report 2022



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NYAB – Builder of a clean future

We are enabling green transition in the Nordics by providing engineering, construction, and maintenance services within renewable energy and sustainable infrastructure to public and private sector clients.

Revenue

247.7

MEUR

Balance Sheet

337.7

MEUR

EBITA

30.5

MEUR

Personnel

383



NYAB highlights 2022



Combining of Swedish NYAB Group and Finnish Skarta Group at the end of March in a **200 MEUR transaction.**

40% comparable organic growth in Swedish group companies and a turnaround in profitability in Finland.

Establishment of a joint venture with CapMan fund to accelerate **Skarta Energy's renewable energy** project development.

Building a **record high order backlog** to continue profitable growth according to strategic objectives.

Brand renewal and renaming of the parent company as well as Finnish companies within construction to NYAB.

Business areas in brief

NYAB's business operations focus on energy, infrastructure, industrial construction, and project development in renewable energy. We have a distinct advantage due to our strong position in the northern regions of Finland and Sweden, where planned investments in carbon-free industry are estimated to be in excess of 100 billion euros over the coming decades. In addition, we have projects in the Stockholm area, where accelerating urbanization is increasing the need for sustainable infrastructure. We strive for profitable growth and see excellent growth opportunities in all our business areas in Finland and Sweden.



Infrastructure



We are building a cleaner future. That future prioritizes sustainable infrastructure and clean water. We have decades of experience working on infrastructure projects, including roadworks, railways, bridges, walkways, bicycle paths, waterworks and more.



Energy



We see the future in wind, sun and energy storage. We are building a clean future by implementing projects that utilize emission-free technology in energy production. We focus on implementing wind and solar power projects in cooperation with industry and public bodies.



Industrial



We are enabling a green transition in the Nordic countries by partnering with industrial operators. We build industrial buildings according to our customers' needs, for example for manufacturing and logistics companies, workshops, and the paper and mining industry. We boldly take on even the most challenging construction projects, like biopower and thermal power plants, industrial halls, or production facilities.

Business highlights 2022



Infrastructure



- Roads, railways, and sewage pipes constructed in Northern Sweden and Stockholm region
- 400 MSEK frame agreement regarding the expansion of Mälaren Line railway
- More than 70 bridges renovated in Finland, and the start of new pumping station projects in Tampere.



Energy



- 54 MEUR of BoP contracts signed in Finland to construct wind farms with 47 turbines (>300 MW)
- Acquisition of Power Forze AB to strengthen competencies in power network construction
- Qualified for Fingrid's supplier register as a constructor of substations and transmission lines
- Agreement with Svenska Kraftnät to prepare for the construction of Aurora Line



Industrial



- Research and laboratory facility project for SSAB in Raahе started
- Several ongoing facility projects for LKAB and Boliden in Norrbotten region

CEO's review

NYAB is in an excellent position for 2023

In many ways, 2022 was the year when today's NYAB was formed. Skarta and NYAB were combined at the end of March. At the beginning of the year, resources were spent to prepare for the closing of the transaction, after which the integration of operations in Finland and Sweden, as well as the scaling up of administrative capabilities to serve a larger business, took a lot of effort.

“We made excellent progress in our operations, we delivered strong organic growth in Sweden and faster-than-expected turnaround in Finland.”

However, we simultaneously made excellent progress in our operations. When we named our parent company NYAB, launched our new brand, and started using the NYAB name in all our construction activities in December, we could be very pleased with our achievements.

In Sweden, we once again achieved strong organic growth, as the comparable revenue of our group companies grew approximately 40 percent. Changes in the operating environment created challenges with cost inflation, material shortage, energy shortage and increasing interest rates, but we were able to avoid negative impacts relatively well. Even very well, in comparison to our peers. Contract terms and conditions, typical for the Swedish market, made it possible to manage increased costs. Also, good relations with our customers supported a stable financial performance.

In Finland, the challenging operating environment complicated our business operations especially in





“We have a record-high order backlog, our financial standing is stable, and our operations are concentrated on rapidly growing markets.”

the first half of the year. However, we were able to turn profitable during the autumn by, for example, cutting fixed costs and reorganizing operations. In retrospect, the turnaround has been faster than expected, which is thanks to our personnel who quickly adapted to changes. With the changes made, the level of specialization among our key personnel has increased. Clearly defined accountability for results also improves the performance of the organization. A diverse expertise in project execution is our obvious strength that enables good profitability going forward, as the organizational structure now also operates effectively.

At the end of the year, we took a significant step forward in renewable energy project development, as we established a joint venture with the CapMan fund to accelerate Skarta Energy's business operations.

Skarta Energy's revised target is to construct 800 MW of solar power during the next five years. Together with CapMan, we can provide Skarta Energy with the resources to accelerate the monetization and construction of projects. We expect the joint venture to generate revenue for NYAB already this year with new projects in energy construction. Solar energy and its opportunities have lately been subject to increased media coverage, and there has been a lot of interest in Skarta Energy as well. Our belief is that we are in the market at just the right time and expect the construction of solar power to be an essential part of NYAB's future.

The outlook in our markets is positive. The biggest share of our revenue is generated in Northern Sweden which stands out in regional growth forecasts with annual industrial investments in the billions. We expect to participate in more and more projects in energy, infrastructure, and industrial construction. Our customers are mainly from the public sector and large industrial companies, whose demand remains rather stable over the business cycle. We also have dozens of perennial frame and maintenance agreements that stabilize demand even in an uncertain macroeconomic environment through recurring revenue.

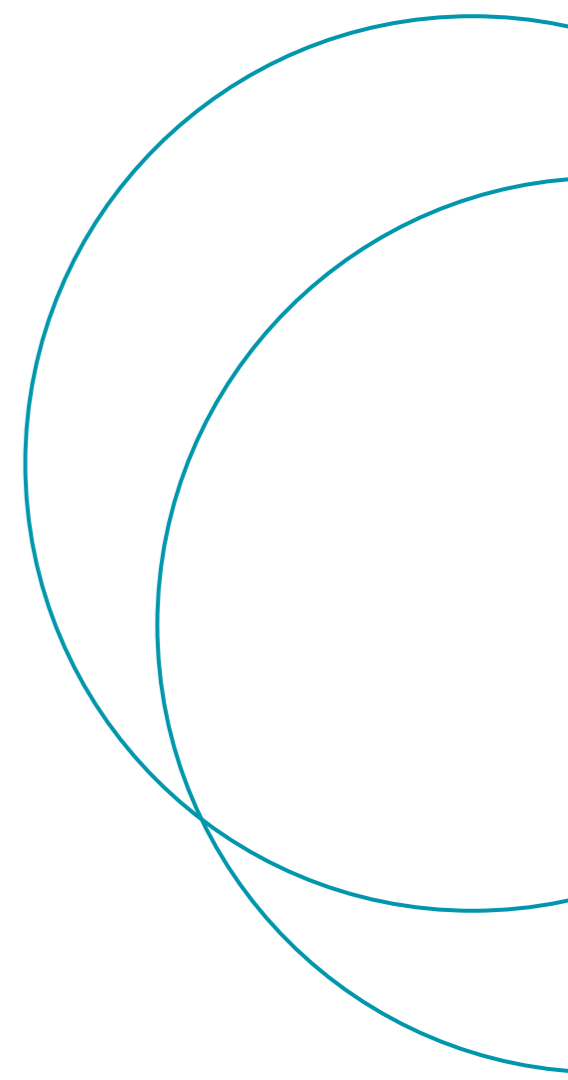
Improving energy self-sufficiency also continues as an essential theme in the market and can be seen, beside solar power, as an increased demand for services in wind power and power network construction. We have during the past year already proven that we can broadly utilize our competence in both our Finnish

and Swedish organizations. This enables access to significant new projects, particularly regarding the construction of transmission connections.

When we first announced the combination of Skarta and NYAB in December 2021, we said that we are investigating a possible dual listing of our shares in a Swedish marketplace. This work continues, and we will announce the results when there is enough precise information to disclose. As a part of the process, we have started to prepare for a transition to IFRS reporting. This increases our available opportunities in the financial markets.

All in all, NYAB is in an excellent position for 2023. We have a record-high order backlog, our financial standing is stable, and our operations are concentrated on rapidly growing markets. The strategic objectives we set in the autumn – continuing profitable growth, accelerating the monetization of renewable energy projects, as well as strengthening an entrepreneurial culture – continue as an important part of our operations also in 2023. However, as is typical for entrepreneurs, we constantly aim at improving and exploring new business opportunities. I believe that this year will also feature some interesting twists and turns with which we can generate more value for our various stakeholders.

Johan Larsson
CEO, NYAB





**Our industry can build a
more sustainable society.**

Sustainability review 2022

Solutions made to last

NYAB is building a cleaner and more sustainable society for all of us

Society is always changing. What has become obsolete gives way for growth and innovation. As we adapt to these changes, we must learn from the process. The materials and resources we use today will not last forever and societies way of doing business must readjust to meet the needs of our time. That is why NYAB takes seriously our responsibility to deliver environmentally sustainable and high quality projects all the while providing an excellent work environment. Everyday, we work to raise our standards even further.

Our industry can build a better society

NYAB's business operations focus on energy, infrastructure, industrial construction, and project development in renewable energy. By contributing to industry development we can help build a clean future. It is why we are always testing our best practices and striving to find new ways of doing business. While at the same time we are stringent on maintaining the standards of our well evaluated routines, that have led to such high results.

NYAB's focus is on both sustainability and the long-term impacts of its decisions. That is why not only do we comply with all current environmental legislation and requirements, but we choose to exceed those requirements. We are working to minimize any negative impact on the environment, yet we know that we must do more.



NYAB works closely with the local communities

NYAB has a distinct advantage stemming from its long and strong position in the northern parts of Finland and Sweden. The Company has a deep understanding and a close connection to these regions, with many of those working for NYAB having been born and raised there, and still living close by to this day. NYAB avoids the need to fly in resources from far away, but instead aims to employ people from the local area. By employing local people and by collaborating with local entrepreneurs and companies, NYAB has built strong relations to the areas in which its known and operates in.

Our future is more secure when it is built on a sustainable foundation. A cleaner future is not just a beautiful vision, but a necessity.



Building renewable energy helps us significantly reduce climate footprint

NYAB is building a clean future by implementing projects that utilize emission-free technology in energy production. NYAB focus on implementing wind and solar power projects in cooperation with industry and public bodies. In NYAB's projects, already more than 900 MW of wind power is either completed or being constructed in Finland. The total number of wind turbines in these projects exceeds 190.



Construction of Finland's first industrial-scale hybrid power park

Tuulipuisto Juurakko Oy

Location: Kalajoki

Customer: VSB Uusiutuva Energia Suomi Oy

Project scope: total contract, 7 wind turbines, hub height 148 m, total capacity 40 MW

Year of completion: 2022

NYAB participated in the construction of the first industrial scale hybrid power park in Finland. The total contract included design work, ten kilometres of roads, lifting areas for the erection of the wind turbines, foundations for the wind turbines and cabling and electrical work. The seven wind turbines with a hub height of 148 metres have a total capacity of 40 MW, which corresponds to the annual electricity demand of around 6,500 single-family houses with electric heating.

[Read more >](#)





Our projects enable people to move and live responsibly

NYAB builds and maintains railways, bridges, walkways, bicycle paths and more, so that people can move responsibly. NYAB's relocation and site demolition process is completed while keeping the local economy and sustainability at the forefront of our focus. Where necessary NYAB handles waste responsibly and, where possible, NYAB recycles and even relocates buildings to their new homes.



11 SUSTAINABLE CITIES AND COMMUNITIES

**Zero waste.
We move instead
of demolishing.**

Relocation of cultural buildings

Location: Gällivare

Customer: LKAB

Project scope: moving 6 apartment buildings, 6 villas and 7 outbuildings

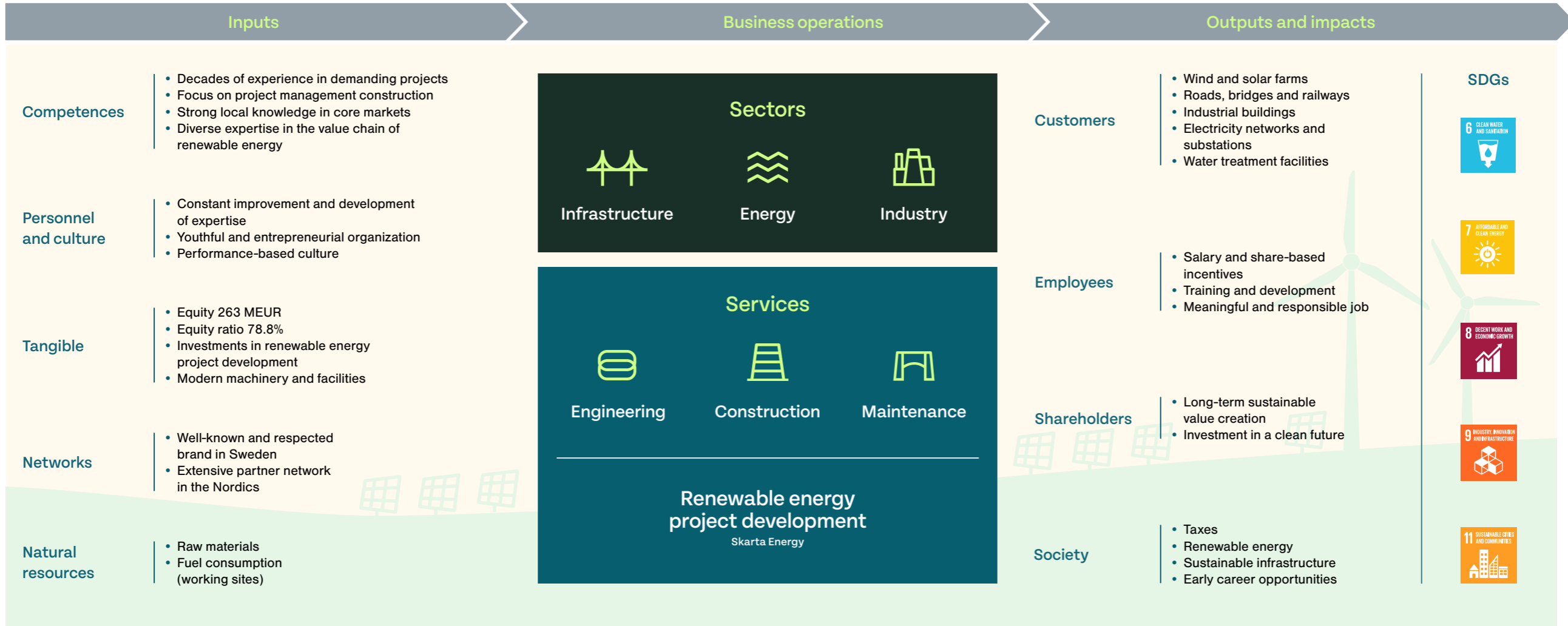
Project started: 2022

In the communities of Malmberget, Gällivare and Koskullskulle, a large social transformation is underway, as the mining districts in the area are expanding. In total, around 2,000 homes and 250,000 square meters of residential and commercial property will be moved or replaced. This means that approximately 3,200 people are affected and will have to move in the coming years. Some of the buildings have cultural and historical value, and their preservation is therefore important.

NYAB is relocating these culturally significant buildings on behalf of LKAB. This assignment includes the relocation of six apartment buildings, six villas, and seven storage buildings from their existing plots to a newly-built residential area on the shores of Lake Nuolajärvi, Gällivare.

[Read more >](#)

NYAB is building renewable energy and sustainable infrastructure



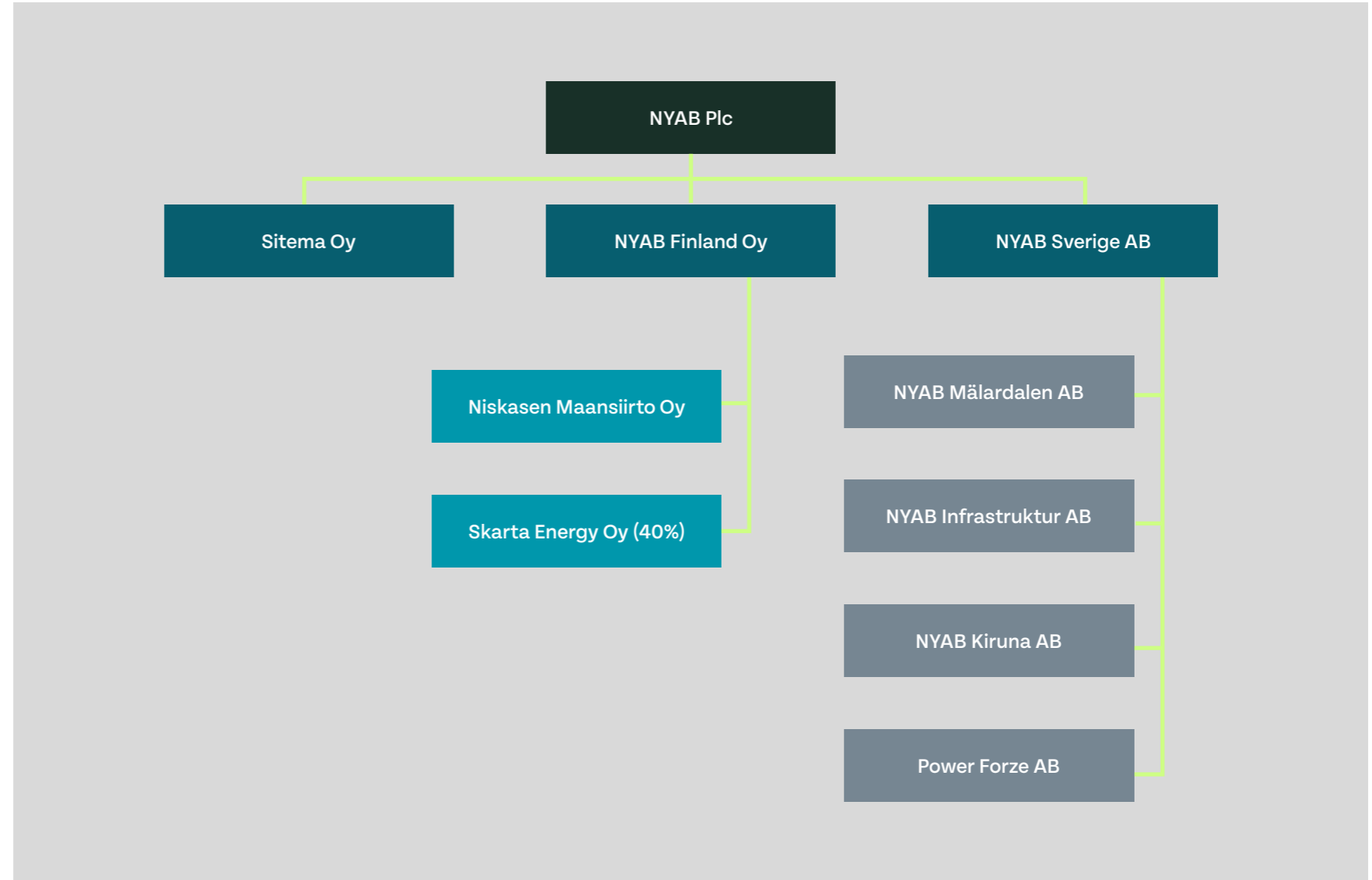
Sustainability management

NYAB's quality, environmental, personnel, and safety policies set the framework for the management of sustainability matters within the group. Policies cover the business operations of the group in both Finland and Sweden.

Sustainability is managed in the operative business functions of the group companies*. Operations are planned, evaluated, measured, and improved as part of the operative businesses' management systems. In annual management reviews, operations of the company are evaluated from all different perspectives including sustainability considerations on environmental safety, occupational health, well-being and safety and project quality matters. Results, risks and business opportunities are reviewed, and development targets for the following year are set. Management teams of the operating countries participating in the management review, and quality teams compile the processed issues. The fulfillment of matters related to quality, safety and health in business operations and projects is supervised by internal audits.

The fulfillment of matters related to quality, safety and health in business operations and projects is supervised by internal audits.

NYAB Group Structure



Risk management

Risk management in NYAB is an important part of the management and successful business operations. Risk management aims to systematically identify the risk factors, and then continuously monitor and manage them in an optimal way so that the group reaches its strategic and financial targets.

The Board of Directors has the main responsibility for organizing an appropriate and effective risk management in the group. Risk management measures may differ between countries, adapting to legislation and the operating environment in the target country. Risk management is discussed more

thoroughly below in respective sections, as well as in the Board of Directors' report of activities.

Evaluation of risks related to occupational health, safety at work, and environment takes place annually as part of the management review.

Management systems

Business operations in Finland are planned, evaluated, measured and improved as a part of the ISO system. NYAB Finland has been granted ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (occupational health and safety) certifications. NYAB also has a RALA certification.

In Sweden, NYAB holds a BKMA certification - a widely recognized certification system specific to the Swedish construction sector, which covers the same core principles as ISO certification. The group company NYAB Kiruna AB's management system has an ISO certification.

Evaluation of risks related to occupational health, safety at work, and environment takes place annually as part of the management review.



Stakeholder expectations and dialogue

NYAB's operations involve several stakeholders, whose needs and expectations must be considered. NYAB regularly gathers customer and project specific feedback related to project management, safety, quality, and environment. In addition, personnel satisfaction is measured.

Stakeholder engagement

Stakeholder	Expectations	Procedures
Personnel	<ul style="list-style-type: none"> • Safe and pleasant working environment • Occupational well-being • Development of competences and training • Fluent internal flow of information • Competitive remuneration 	<ul style="list-style-type: none"> • Safe working methods, tools and equipment • Occupational healthcare • Supporting Work-life balance • Early intervention model • Development interviews and dialogue with employees • Internal communication • Training • Variable short-term incentive programs • Long-term share incentive program for all personnel
Customers	<ul style="list-style-type: none"> • Security of supply and quality • Taking care of environmental and work safety matters • Keeping to schedules 	<ul style="list-style-type: none"> • Quality management systems • Efficient project management • Project satisfaction and quality measuring
Local communities	<ul style="list-style-type: none"> • Work and collaboration opportunities • Sustainable, clean and safe services and solutions 	<ul style="list-style-type: none"> • Collaborating with the local people and companies • Employing the local people
Shareholders and financiers	<ul style="list-style-type: none"> • Value Creation • Profitable and responsible operations 	<ul style="list-style-type: none"> • Clear targets • Good and responsible management
Authorities	<ul style="list-style-type: none"> • Complying with rules and regulations 	<ul style="list-style-type: none"> • Transparent processes and monitoring • Communication and reporting
Educational institutions	<ul style="list-style-type: none"> • Career opportunities • Project work 	<ul style="list-style-type: none"> • Relations to educational institutes • Building an employer image • Trainee program
Insurance companies, pension insurance companies, and occupational health care	<ul style="list-style-type: none"> • Adequate risk management • High-quality work without insurance compensation • Reduction of absences (illness/accident) 	<ul style="list-style-type: none"> • Risk management plan • Quality plans and monitoring

NYAB recognizes the need of further developing its survey procedures to form a more comprehensive view of its impacts and main stakeholders' expectations regarding different perspectives of sustainability.

Environmental matters

NYAB is committed to taking the environment into account and complies with all applicable environmental rules and regulations that affect its operations. NYAB aims at preventing and avoiding environmental risks, and it has action plans for environmental emergencies.

NYAB aims at minimizing negative impacts by, for example, following sustainable working measures, training its subcontractors, suppliers, and personnel, as well as by measuring its environmental impacts and deriving development measures from them.

Impacts and risks

NYAB is building solutions which can reduce CO₂ emissions. NYAB is building wind and solar power farms in collaboration with the industry and the public sector. In NYAB's projects, already more than 900 MW of wind power is either completed or being constructed in Finland. The total number of wind turbines in these projects exceeds 190. The annual production of 190 wind turbines corresponds to the annual consumption of approximately 190 000 electrically-heated detached houses*.

NYAB participates in the project development of solar energy through its associated company Skarta Energy. Skarta Energy has a target of building 800 MW of solar power in the next five years. This corresponds to the annual consumption of approximately 160 000 persons.

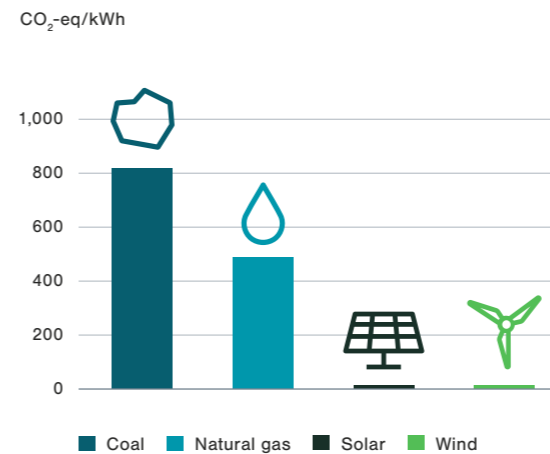
* A 3 MW wind turbine built in Finland in 2009 produced around 9,000 MWh per year, while a 4.2 MW wind turbine built in 2019 produces more than double the amount: 19,000 MWh per year. The annual production of the new power plant corresponds to the annual consumption of approximately 1,000 electrically heated detached houses.

NYAB's largest negative environmental impacts originate from transportation and production. Environmental impacts vary between projects and depend on the nature of the project. Negative environmental impacts are estimated at the beginning of projects. The aim is to avoid redundant transportation and optimize processes regarding transportation and the use of machinery through effective planning.

Management approach

NYAB has developed a model for the calculation of CO₂ emissions regarding wind farm infrastructure. With the calculation model, different alternatives can be evaluated, and the wind farm design with the lowest emissions can be selected. With the calculation, CO₂ payback time of the wind farm can be resolved. Based on the pilot, it is 155 days for the infrastructure, which means that the wind farm has compensated its CO₂ emissions and begins to produce clean electricity in approximately five months after the construction has been completed.

Lifecycle CO₂ footprint of wind and solar power vs fossil fuels¹



¹ Source: Finnish Centre for Economic Development, Transport and the Environment and United Nations.

To reduce negative environmental impacts during production, NYAB goes through different alternatives regarding the procurement of materials and estimates different options for delivery during the work plan for each project. In Swedish operations, preference is given

to recycled materials and materials that consume less energy in production. When possible, raw materials that are not detrimental to organisms and the environment and have a longer service life are selected. Discussions are also held with customers to select materials that are less environmentally damaging. In Finnish operations, NYAB monitors the development of the amount of waste and takes measures to reduce it through, for example, effective recycling and by reusing masses that are excavated in other projects when possible.

To reduce emissions from transportation, NYAB in Sweden has a car policy that selects company cars with lower emissions. When investing in new vehicles, environmental class vehicles are given priority.

Activities and outcomes 2022

In 2022, measures regarding the management of quality and the environment continued to be developed.

In Sweden, the BKMA certification was extended to cover the activities of different group companies, while it had earlier regarded only NYAB Mälardalen. In addition, NYAB continued measures to minimize negative impacts by focusing particularly on transport emissions and the development of processes in production. Already 66% of all personnel company cars in 2022 were eco cars (*electric or hybrid cars), while in the previous year the



figure was 40%. In large-scale projects, new measures to decrease environmental impact were actively sought by, for example, optimizing processes regarding the transportation of materials and using recycled masses.

In Finland, ISO 9001, ISO 45001, and ISO 14001 certifications were renewed. Project activities were mainly executed in accordance with the process. Development needs relate especially to the management and development of procurement and machinery.

In Finland, NYAB follows an environmental indicator* to estimate the level of environmental matters in a working site. The control of environmental matters was generally at a good level. 154 inspections took place. The target result was 95% and the realized result 98.3%. One incident of serious environmental damage took

place because of vandalism, and a subsequent fuel oil spill into the environment. The contaminated soil was delivered to the recycling station and appropriate notifications to the authorities were made.

In Sweden, environmental risks** in projects are observed as a part of safety walks. In 2022, a total of 57 environmental risks were recorded, as well as two minor environmental damage incidents in which machine oil spilled into the environment.

In 2022, NYAB started three new wind farm projects and delivered three completed projects to customers in Finland. The total capacity of the completed projects is 190 MW and includes 32 wind turbines. The total capacity of new projects is 302 MW and includes 47 wind turbines as the projects are completed.

* The indicator includes the review of dust, waste, machinery, appliances, fuel tank, organizing waste management, list of chemicals, storage of hazardous materials, noise and dust reduction, as well as the surplus soil disposal.

** Waste management, chemicals, dust, protection of environment, and other targets with environmental impacts are reviewed.

Personnel and social responsibility

NYAB wants to be the most attractive work place in the industry and provide its employees with chances to grow and hence contribute to the development of the company. NYAB aims to be a safe and healthy working environment, where diversity is a strength and a prerequisite to development and renewal. Work takes place in close cooperation with personnel, customers, authorities, and other stakeholders.

Management principles are based on the company values. Taking responsibility, high level of trust, entrepreneurial approach, and sustainably profitable activities are essential matters for NYAB. Everyday managerial work life is done close to the own team, which ensures an adequate presence and necessary support.

The right skills and competences are important for NYAB to reach its targets. The development of expertise is anticipatory and long-term work and ensures that the company can respond to needs of the business operations also in the future.

NYAB believes in building the right kind of safety culture and pre-emptive measures.

All employees, regardless of their gender, sexual orientation, ethnic origin, religion or other status have the same rights, opportunities and responsibilities at NYAB. Equal treatment of personnel is an essential part of NYAB's culture.

Impacts and risks

The most significant risks at work sites relate to accidents and safety in general. The retention of employees and well-being at work are critical matters in managerial and specialist tasks. Development of expertise is important in all tasks. The availability of employees has been a clear challenge in the Kiruna region and in other sparsely populated areas.

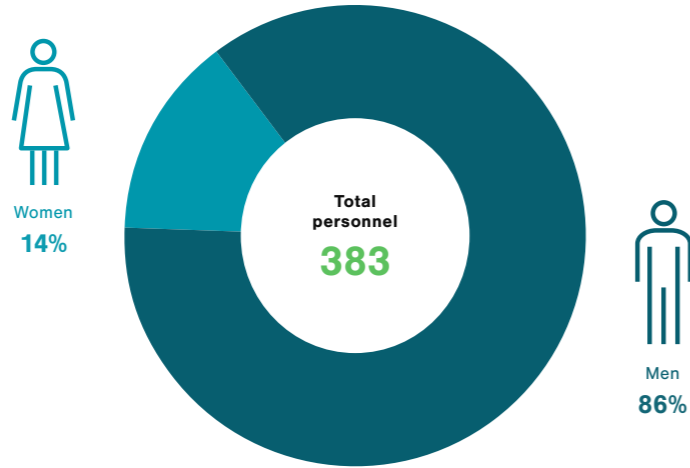
Management approach

Constant dialogue, the importance of managers' support, a safe and healthy working environment, as well as attractive remuneration are crucial for retaining employees. In Finland, NYAB has carried out regular well-being surveys for years, and in both countries development interviews are part of the human resources management process.



Employees by gender

(31.12.2022)



NYAB believes in building the right kind of safety culture and pre-emptive measures. Employees are encouraged to be active, for example, in making safety observations. In Finland, working sites are encouraged to have "safety quarters", during which personnel spend time considering safety together and take improvement measures at working sites. In both countries, safety at work is also evaluated in safety walks of the management, as well as through internal audits.

Occupational health inspections promote and maintain health from the perspective of ability to work. NYAB provides its employees with extensive occupational health services that include preventive, acute or services related to the maintenance of ability to work. In Finland, voluntary health insurance coverage, that supplements the statutory insurance coverage and occupational health services, has been offered to personnel. Safety is also extended to free time. NYAB supports the well-being of its personnel with, for example, an exercise benefit.

In Finland, principles for equality have been included in the work community development plan that is drafted together with employee representatives. In Sweden, there is a separate policy for equality. Reconciliation of work and family, and the distant-working model that is in place in Finland, are important for the personnel who want them to stay in place.

A large part of the development of competences in the organization takes place daily as a part of working together. It may concern, for example, new tasks, learning from each other, exchange of experiences, or mentoring. Training needs and measures are estimated from the perspective of business needs. The plan is made on a long-term basis.

To retain employees and ensure the quality of projects, there are variable short-term incentive programs in place across business operations. In addition, the company has a long-term share incentive program that covers the entire personnel.

Activities and outcomes 2022

Safety at work, the development of personnel, the improvement of internal communications, as well as encouraging, performance-based remuneration were the key matters at NYAB in 2022.

In Finnish operations, a safety campaign called 4T was launched with the aim of strengthening and developing our safety culture. Personnel were encouraged to actively make observations. A fast and easy mobile app, open to every employee was also developed for

Safety statistics

	2022	2021
Finland		
Safety observations	124	50
Deviations	80	47
Dangerous situations	7	5
Reported accidents	8	5
Sweden		
Safety observations	71	83
Near misses	55	67
Reported accidents	13	16

this purpose. There was also an incentive provided for reporting observations. A monetary reward was raffled monthly among everyone who had made observations. The practice continued in 2023.

One finding from the employee satisfaction survey that was carried out at the beginning of the year was to develop internal communications and the flow of information within the company. One action

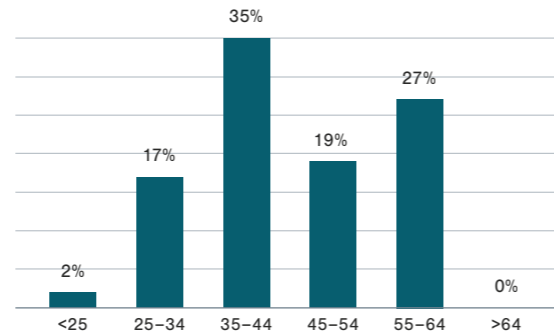
was to start projects to launch new channels for internal communications.

In Sweden, measures for the development of competencies and training were continued. A trainee program that was designed and launched in 2021 was continued and further developed by, for example, focusing the division of responsibilities and making sure that students, working alongside their managers, had an appointed support person every day. In 2022, NYAB employed 8 students as trainees. In addition, NYAB collaborated with the city of Luleå to employ persons with fewer employment opportunities, as trainees. A new program was also created for the training of new managers, and the first training will take place in February 2023.

In June 2022, equity-based incentive programs for personnel and management were launched. The incentive programs consist of a performance share plan, a project bonus share plan, and a share issue directed to personnel. The aim of the programs is to align the interests of the personnel and NYAB shareholders by strengthening employees' and executives' long-term stock ownership and thus increasing company value in the long term as well as to drive performance. The aim was also to retain employees and offer them competitive performance-based compensation.

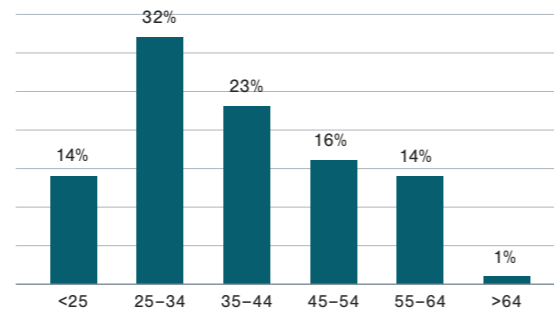
Employees by age distribution

NYAB Finland Oy



Employees by age distribution

NYAB Sverige AB



Ethical principles

NYAB is committed to ensuring freedom of association and the right to a good working environment, taking relevant rules and regulations into account. NYAB complies with the United Nations Convention on the Rights of the Child, and it has zero tolerance for child labor and forced labor throughout the value chain.

NYAB identifies and considers all forms of corruption as a threat to democracy. Every employee has a responsibility to make sure that this is clear in relation to their customers and stakeholders. NYAB complies with good business ethics and legislation in all its operations.

Repeated or individual deviations by our own personnel results in termination of employment. Repeated or individual deviation by a supplier or subcontractor is regarded as a breach of agreement, and if the deviation is not corrected in a given time frame, collaboration is ended.

Impact and risks

NYAB operates in markets where there are existing laws protecting human rights and the risk of breaching human rights in the company's own activities is relatively low. The most significant risk comes from subcontractors in the supply chain.

Management approach

To minimize risks, NYAB retains the right to make audits to third parties' activities and monitors the compliance of written agreements.

Activities and outcomes 2022

In 2022, NYAB initiated a project to establish an internal whistleblowing channel, where personnel can anonymously report breaches. In accordance with applicable regulation, persons reporting matters regarding public procurement, for example, are subject to specific protection, which promotes intervention against corruption and bribery.





Board of Directors' report

Board of Directors' report of activities 2022

NYAB's business operations during the financial period

NYAB Plc ("Company") Group grew to a new level during the financial year 2022, as Swedish NYAB Group and Finnish Skarta Group joined forces at the end of March 2022. In the transaction, NYAB Plc acquired all shares in NYAB Sverige AB with a purchase price of 200 million euros, of which 2.5 million euros was paid in cash and 197.5 million euros by a directed share issue to NYAB Sverige AB's shareholders. As a result of the transaction, NYAB Sverige AB's shareholders came to own 59 percent of all shares in the Company.

NYAB is enabling green transition in the Nordics by providing engineering, construction, and maintenance services to public and private sector clients.

In December, the NYAB name was adopted in the parent company of the group, as well as in the Finnish construction business.

The new NYAB Group continues as a builder of a clean future, whose vision is to be a pioneer in clean energy solutions and a respected building partner for a carbon-neutral society in the Nordic countries. NYAB is enabling green transition in the Nordics by providing engineering, construction, and maintenance services to public and private sector clients regarding renewable energy and sustainable infrastructure.

NYAB's business operations during the financial year consisted of energy, infrastructure, and industrial construction. In energy construction, NYAB concentrated on comprehensive Balance of Plant (BoP) projects, where it is responsible for land improvement, foundations, and power networks of the wind farms in a project specific scope, as well as projects in power network construction. BoP projects started during the financial year included Lumivaara wind farm in Hyrynsalmi, Pajunperänkangas wind farm in Haapajärvi, as well as Karahka wind farm in Oulainen. The total value of the contracts was 54 million euros.

NYAB has constructed power networks in several public sector projects especially in Northern Sweden



and the Stockholm region. At the end of August, NYAB strengthened its competences by acquiring Power Forze AB that offers services regarding power installations for industry and wind power, as well as construction and maintenance of electric grids. The purchase price for the company was approximately 3.6 million euros, of which 0.8 million euros was paid as a cash consideration and the rest by a directed share issue to Power Forze AB's shareholders. In addition, NYAB launched its power network construction business in Finland and has utilized its expertise in, for example, BoP projects in wind power construction. During the second half of the year, NYAB was also granted qualifications to Fingrid's supplier register as a constructor of substations and transmission lines. In December, NYAB and Svenska Kraftnät made an agreement for the preparation for the construction of Aurora Line, an electricity transmission connection between Finland and Sweden. The contract regards planning work between Dockasberg and Risudden.

In infrastructure construction, NYAB's operations have been active particularly in Northern Sweden and the Stockholm region, where group companies have gained contracts with the public sector regarding construction and maintenance of roads, railways and sewage pipes. Contracts include several perennial frame and maintenance agreements as well. The largest individual contract was the frame agreement that was made with the Swedish Transport Administration in June. The agreement has a maximum value of SEK 400 million, and it regards preparatory land improvement and

construction work of the expansion of the Mälaren Line railway that runs from Stockholm to Örebro. In addition, NYAB has expanded its activities in the Stockholm region to underwater construction and has received its first projects regarding maritime routes in the archipelago.

In Finland, NYAB's infrastructure construction has focused, for example, on the renovation of bridges. In addition, NYAB made an agreement to construct wastewater pumping stations as a part of the central wastewater treatment plant project in Tampere region.

The most significant new project in industrial construction in Finland was the construction of a research and laboratory facility at SSAB's plant in Raahе. In Sweden, industrial construction projects have been started, for example, in the Norrbotten region, where new facilities are constructed for companies out of the way of expanding mining areas.

NYAB continued the active development of projects in renewable energy as well. In October, NYAB set a strategic objective to accelerate the monetization of renewable energy projects. To realize this objective, NYAB in December executed a transaction, where Skarta Energy Oy, a subsidiary company responsible for project development, was transferred to the ownership of a joint venture that was established with CapMan Nordic Infrastructure II fund. The CapMan fund owns 60 percent and NYAB 40 percent of the joint venture. The value of the transaction was 21.6 million euros. In

connection with the transaction, the parties also signed a significant framework agreement, according to which NYAB is the joint venture's preferred partner for future engineering, procurement, and construction services.

Skarta Energy's largest projects include solar parks planned for disused peat bog areas of more than a hundred hectares in the municipality of Utajärvi and for old mining districts of Hitura and Pyhäsalmi in Northern Ostrobothnia. In September, the first phase of the Utajärvi project was granted an action permit that is expected to become final during the first quarter of 2023. The grid connection agreement signed in October enables the completed solar park to be connected to Fingrid's main grid. In addition, the project has been granted EU Horizon funding for the investigation of smart grid solutions regarding energy distribution. The project at Hitura and Pyhäsalmi is managed by a project company established by Skarta Energy and Solarigo Systems Oy. In December, the Ministry of Economic Affairs and Employment granted the project company 12.1 million euros of Next Generation EU funding to execute the project. In addition to industrial-scale projects, Skarta Energy develops local Near Energy projects, where nearby produced renewable energy is offered for local use for municipalities and industrial operators.

At the end of the financial year, the Company simplified its group structure through internal changes. NYAB Kiruna AB (former Skarta AB) that was previously owned by NYAB Finland Oy, as well as Power Forze AB that the Company acquired in August, were transferred

under NYAB Sverige AB. As a result of the changes, all group companies that carry out business operations in Sweden, now belong to NYAB Sverige AB subgroup.

Operating environment

There were abrupt changes in the operating environment during the financial year with Russia's invasion of Ukraine, high inflation, and rising interest rates. The increase in raw material prices and challenges in accessing them were considerable especially in the first half of the year. NYAB managed to better hedge against the cost risks in the Swedish operations, but in Finland the increased costs weakened financial performance especially in the first half. In addition, the long-running COVID-19 pandemic still caused some challenges for the availability of the workforce at the beginning of the financial year. At the end of the year, the rise in construction expenses became slower than the general inflation development.

In energy construction, changes in the operating environment have improved NYAB's business opportunities, as the rapid change in energy markets have further increased the importance of domestic energy production. Wind power, for example, is currently one of the industries that attract most investments in Finland. According to the Wind Power Association, wind power capacity in Finland increased by a record-high 75 percent in 2022. More than 400 wind turbines with a total capacity of 2,430 MW were completed, and the investments related to the projects amounted to nearly three billion euros. The construction of wind power for

Wind power is currently one of the industries that attract most investments in Finland.

the following years is estimated to stabilize at an annual level of 1,000 MW. Investment decisions to construct more than 3,000 MW of wind power have already been made. More than 75 percent of these are located in the Ostrobothnia region, where NYAB has a strong position.

Prognoscentret that analyses the construction market in Sweden estimated in December that investments in infrastructure will decrease in 2023 after several years of stable growth. The negative change mainly concerns new investments, whereas investments in maintenance services are still estimated to develop positively. There are also significant geographical differences in the size of investments, and according to industry organization Byggföretagen, construction investments continue to grow in NYAB's strong market area in the Norrbotten County. The negative development of investments is estimated to remain temporary also in other parts of Sweden, and the investment plan of the government for 2022-2033, for example, includes record-high investments in infrastructure.

In Finland, the increase in production indicates that 2022 was a peak year also in industrial construction, as presented by RAKSU group that studies trends in construction and is led by the Ministry of Finance. The year 2023 is expected to settle at the same level, and the outlook for public sector construction is positive. Land and water construction decreased in 2022, and the negative development is expected to continue in 2023. In both Finland and Sweden, volumes in housing construction are expected to decrease, which may also have an indirect effect on the competitive situation in industrial construction, as companies transfer their production to markets with a higher demand.

Financial standing and development

Revenue of NYAB Plc Group for the financial year 2022 was 247.7 (41.6) million euros. Revenue per geographical region is shown in the table below.

Revenue (MEUR)	2022	2021
Finland	60.0	33.7
Sweden	187.7	7.9
Total	247.7	41.6

Financial information for the financial year 2021 is not comparable with 2022 since there have been significant changes in NYAB's group structure in 2021–2022. NYAB Finland Oy that carries out business

activities in Finland has been consolidated in group financial statements as of 1 August 2021, and NYAB Sverige AB that operates in Sweden, as of 1 April 2022. Financial information that has been consolidated in the financial statements for the first half of 2021 consists of business operations of former subsidiaries of NYAB Plc. These business operations ended in the summer of 2021. The combined pro forma revenue for NYAB Finland Oy and NYAB Sverige AB subgroups was 209.2 million euros for the financial year 2021.

EBITA of the group, i.e., operating profit before amortization and depreciation of intangible assets, was 30.5 (1.3) million euros. EBITA per geographical region is shown in the table below.

EBITA (MEUR)	2022	2021
Finnish operations	13.9	2.4
Swedish operations	16.2	0.3
Other unallocated	0.4	-1.4
Total	30.5	1.3

Project development operations had a total net impact of 17.8 million euros on EBITA, including the transaction impact of the change in Skarta Energy's ownership, which has essentially improved the profitability of Finnish operations. Negative impacts resulted, among

others, from write-downs in projects that do not belong to NYAB's current business operations, such as the nuclear power plant project at Hanhikivi in Finland and fiber cable network projects in Sweden. These write-downs had a total effect of -3.3 million euros altogether. Group administration functions had a total effect of -2.4 (-1.8) million euros on EBITA of the financial year.

Profit for the financial year was 8.4 (-4.9) million euros. Profit was significantly affected by the amortization of consolidated goodwill that was 18.2 (1.8) million euros altogether, write-offs of 1.2 (3.5) million euros to the investment portfolio that consists of unlisted shares, as well as an adjustment of 0.9 million euros resulting from the transaction in project development business and recorded in the row "Adjustments from Group transactions" in the income statement. Consolidated goodwill originates particularly from the acquisitions of NYAB Finland Oy and NYAB Sverige AB, and the amortization has no effect on cash flows.

Cash flow from business operations of the group was -0.7 (5.7) million euros and the change in cash and cash equivalents 9.7 (3.2) million euros. Cash flow from business operations was weakened by the tie-up of working capital as a result of strong growth, as well as seasonality of the business operations.

Equity of the group increased to 262.7 (55.5) million euros during the financial year, and equity ratio to 78.8 (72.2) percent. Equity was particularly increased by the directed share issues that were used as a primary means of payment in the acquisitions of NYAB Sverige

AB and Power Forze AB. At the end of the financial year, NYAB restructured its debt financing through an agreement that consists of a SEK 165 million (EUR 15 million) term loan that has a maturity of four years, as well as a SEK 165 million (EUR 15 million) credit facility. New financing arrangements have been executed after the end of the financial year and they have been used, besides preparing for future growth, to repay loans and hence decreasing relative interest expenses. Total balance sheet at the end of the financial year was 337.7 (76.8) million euros.

NYAB's euro-denominated result, balance sheet and cashflow is materially affected by the exchange rate between the Swedish krona and the euro. The value of the Swedish krona decreased 7.4 percent during the financial year.

NYAB's order backlog at the end of the year was 238.7 (31.0) million euros. NYAB has unified the calculation principles regarding the order backlog among group companies during the fourth quarter. Going forward, order backlog and its development will be reported according to the new principles. In connection with the changes in calculation principles, the aim has been to adjust the information of the comparison year to correspond to the current standard. However, figures of the comparison year may be subject to uncertainty because of the adjustments.

Personnel, management, and administration

NYAB's total number of personnel at the end of the financial period was 383 (31 December 2021: 178). The group had 158 employees in Finland and 225 in Sweden.

At the beginning of the financial period, NYAB Plc's Board of Directors consisted of Markku Kankaala, Martti Haapala, Matti Manninen, Jari Suominen, and Kim Wio. Composition of the Board was changed in the Extraordinary General Meeting on 17 March 2022, the decisions of which came into effect on 31 March 2022. Thereafter, the Board consisted of Markku Kankaala, Johan K Nilsson, Jukka Juola, Johan Larsson, Mikael Ritola, Aarne Simula, and Jari Suominen. The Board was supplemented in the Extraordinary General Meeting on 22 November 2022 that decided to elect Lars-Eric Aaro as a new member as of 14 December 2022. Markku Kankaala was the Chairman of the Board for the entire financial period.

Tuomas Hirvonen was the CEO of the company until 1 April 2022, and Johan Larsson thereafter. Other members of the Executive Management Team at the end of the financial year were Chief Financial Officer Aku Väliäho, Senior Vice Presidents Mikael Ritola (Finland) and Magnus Granljung (Sweden), and Chief Communications & Marketing Officer Minna Koistinen.

Authorized Public Accountant Osmo Valovirta and audit firm Ernst & Young Oy, Authorized Public Accountant



Anders Forsström being the key audit partner, have been the auditors of the Company, and August Partners AB has been the Certified Adviser.

Share and shareholders

NYAB Plc's total number of shares at the end of the financial period was 706,658,238 shares (288,397,790 in the previous financial period). The average number of shares was 497,528,014 (154,226,053). At the end of the period, the company had a total of 3,775 shareholders that had been registered in the shareholder register maintained by Euroclear Finland. 64.7% of all shares in the company were owned by nominee-registered shareholders. Share capital of the parent company on 31 December 2022 was 80,000 euros and the total equity was 254.8 million euros.

The number of shares in the company increased during the financial period as a result of three separate share issues. At the end of March, the company carried out a directed share issue of a total of 414,244,098 shares to NYAB Sverige AB's shareholders as a consideration for the acquisition of all shares in NYAB Sverige AB. In July, group personnel subscribed to a total of 9,950 shares in a share issue without payment as a part of the new share-based incentive programs. In September, the company carried out a share issue of 4,006,400 shares to Power Forze AB's shareholders as a consideration for the acquisition of all shares in Power Forze AB.

The largest shareholders of the company on 31 December 2022 were Holding Investment Förvaltning i Luleå AB (a company under joint control of Board

member and CEO Johan Larsson and Board and Executive Management Team member Mikael Ritola, ownership 33.4%), Andament Group Oy (a company that is controlled by Board member Jukka Juola and where Chairman of the Board Markku Kankaala exercises significant influence, ownership 19.1%), and Sätthergrens Entreprenad AB (ownership 10.6%). Members of the Board and Executive Management Team of the Company, including companies under their control, owned a total of 57.4% of all shares in the Company at the end of the financial period.

Resolutions of General Meetings

Three General Meetings took place in NYAB Plc during the financial period. In the Extraordinary General Meeting that was held on 17 March 2022, resolutions needed for the acquisition of all shares in NYAB Sverige AB were made, regarding the directed share issue with payment to NYAB Sverige AB's prior shareholders, as well as approval of the corporate transaction. In addition, EGM decided to change the name of the company from Skarta Group Plc to SkartaNYAB Plc and change the composition of the Board. Resolutions of the EGM came into effect on 31 March 2022, when the Board of Directors, authorized by the EGM, decided on the closing of the transaction.

NYAB Plc's Annual General Meeting was held on 3 May 2022. In the AGM, usual matters belonging to the power of decision of the AGM were on the agenda, such as adoption of the financial statements and consolidated financial statements for the financial year 2021, discharging the persons, who were Board

members and CEOs during financial year 2021, from liability, as well as election and remuneration of Board members and auditors. In addition, AGM decided to establish a shareholders' nomination board that has a responsibility of preparing proposals to General Meetings regarding the members and remuneration of the Board of Directors. The nomination board consists of three members, of which three largest shareholders of the company are each entitled to appoint one.

In the Extraordinary General Meeting on 22 November 2022, the articles of association of the company were decided to be amended regarding the company's name, field of activity, number of members of the Board of Directors, as well as arranging of the General Meetings. In addition, the EGM decided to supplement the Board of Directors as proposed by the Shareholders' Nomination Board, electing Lars-Eric Aaro as a new member in addition to the prior members. Resolutions of the EGM came into effect on 14 December 2022, when the name of the Company changed to NYAB Plc.

The minutes of the General Meeting are available in Finnish at <https://nyabgroup.com/en/administration/general-meeting/>. At the end of the year, the Company had unused authorizations for a share issue, given to the Board of Directors during previous financial periods, worth a total of 87,870,894 shares.

Proposal of the Board of Directors for measures regarding result and equity

NYAB Plc's result for the financial period that ended on 31 December 2022 was -396,456 euros and the distributable assets of the parent company were 254,871,482 euros. The Board of Directors proposes to the Annual General Meeting that a total of 4,946,608 euros (0.007 euros per share) is paid to shareholders as a distribution of assets based on the balance sheet to be adopted for the financial period. The distribution of assets is proposed to be executed as a capital repayment from the invested unrestricted equity reserve, and no dividends will be paid. The Board of Directors estimates that the distribution of assets does not compromise the solvency of the company.

Significant events after the financial period

In January, NYAB and Energiequelle signed a nearly 18-million-euro BoP contract regarding the new Mikonkeidas wind farm to be constructed in Kristiinankaupunki, Ostrobothnia. NYAB will supply the wind farm's roads, lifting areas, foundations, internal grid, substation, and transmission lines. In practice, this means that NYAB is responsible for everything in the construction of the wind farm, except for the installation of wind turbines. With the contract, NYAB's completed and ongoing wind farm projects already include more than 180 wind turbines.

In February, The Ministry of Economic Affairs and Employment in Finland granted NYAB's associated company Skarta Energy's project company an investment aid of 13.3 million euros for the solar farm

development project in Utajärvi. Skarta Energy has estimated that the construction of the first phase of the project, that has a preliminary total budget of 73.7 million euros, could begin during the summer 2023.

NYAB Plc and Andament Group Oy signed a merger plan in February, whereby a company demerging from Andament Group Oy merges into NYAB. In the proposed series of transactions, 111,000,000 NYAB shares that Andament owns, corresponding to 15.7% of all shares in the Company, are cancelled, and the equivalent number of new shares in the Company are issued to Andament shareholders. The transaction aims at clarifying NYAB's ownership structure and expanding its owner base. The arrangement does not have a net impact on the number of shares in the Company, and its net impact on the balance sheet position and business operations of the Company are neutral. The merger is expected to take place by 31 July 2023.

Future outlook

NYAB gives a financial guidance, according to which its revenue for 2023 is expected to exceed 325 million euros. NYAB estimates that its market outlook is strong, even though inflation and interest rates that have remained at the elevated levels create some uncertainty in the operating environment. Strong comparable order backlog and positive progress in renewable energy project development enable a good outlook for the ongoing year. Because of the seasonal nature of the business, a significant part of the revenue and profit is expected to accrue during the second half of the year. More detailed financial guidance will be published in connection with the business review from the first quarter.

Infrastructure, energy, and industrial construction are expected to grow profitably especially in Swedish markets. In addition, projects resulting from the project development of associated company Skarta Energy Oy are estimated to increase the revenue in the Finnish operations, but its profit impact is anticipated to be lower than in the previous financial year. Inorganic growth opportunities have not been considered in the financial guidance. Development of the exchange rate between the euro and the Swedish krona, as well as unpredictable changes in the operating environment during the financial year, may cause uncertainty to the guidance.

Significant part of NYAB's organic growth comes from new business opportunities in the fast-growing markets of the Norrbotten region in Northern Sweden. There are substantial ongoing investment projects that aim for a clean future in the region, as leading Nordic steel and mining companies, for example, strive for fossil-free production. These investment projects entail significant projects in NYAB's expertise areas in infrastructure, energy, and industrial construction regarding, for example, the construction of new railway and electricity grid connections, as well as new facilities for companies. Altogether, the value of investments in the region for the following 10-20 years is expected to be even more than 100 billion euros. In addition, demand for NYAB's infrastructure construction services in the Stockholm region is expected to grow because of the investment needs that result from the strong population growth in the metropolitan area.

NYAB expects the construction of solar power to grow into a significant pillar of the energy construction of the group alongside the rapidly growing wind power construction. Solar power is one of the most cost-effective energy sources and in a key position to end dependency on fossil fuels. The revised strategic target of Skarta Energy, owned together by NYAB and CapMan, is to build 800 MW of solar power in the coming five years. NYAB is Skarta Energy's preferred partner for engineering, procurement, and construction services, in which case the execution of the projects is expected to enable significant organic growth for the group.

In order to increase own energy production in the Nordics, electricity transmission capacity needs to be strengthened as well, which also increases potential demand for NYAB's services. During the next ten years, a total of approximately 12 billion euros will be invested in the main grids in Finland and Sweden. In addition, local renewable energy projects generate local projects in power network construction. The construction of Aurora Line on the Swedish side is expected to begin in 2024, and Fingrid and Svenska Kraftnät are already planning the next transmission connections between Finland and Sweden.

In addition to organic growth, mergers and acquisitions that support NYAB's growth and competences are an important part of the strategy of the group. The Company concentrates on selecting the best companies in the industry that have a similar company culture and create additional value for the Company with a more comprehensive service offering and potential synergies.

Strong comparable order backlog and positive progress in renewable energy project development enable a good outlook for the ongoing year.

Furthermore, NYAB aims at improving its recognition among both Finnish and Swedish investors by, for example, investigating options for the most appropriate trading venues for the Company. The Company will publish more information on the considered options as decisions on more specific plans are made. As a part of the process, NYAB has started preparations to move from Finnish Accounting Standards (FAS) to International Financial Reporting Standards (IFRS) in its financial reporting and will publish more information on the progress where relevant.

According to the targets that NYAB Plc's Board of Directors set in May, NYAB pursues a long-term annual organic growth exceeding 7 percent, EBITA margin exceeding 10 percent, equity ratio exceeding 45 percent, and a dividend exceeding 30 percent of the adjusted net profit.

Risks and litigations

Risk management

Risk management in NYAB is an important part of the management and success of business operations. This process ensures that NYAB is able to recognize, evaluate and manage potential risks that are related to the quality, schedule and budget of its projects and operations. The risk management policy approved by the Board of Directors of the Company aims at systematically identifying the risk factors, as well as their continuous monitoring and optimal management so that the group reaches its strategic and financial targets.

The Board of Directors has a main responsibility for organizing an appropriate and effective risk management in the group. Risk management measures may differ between countries, adapting to legislation and operating environment in the target country. CEO is responsible for organizing and planning, developing, monitoring and communicating the risk management in the entire organization. Executive Management Team of the group is responsible for the realization of the risk management, as well as measures related to risk management.

NYAB divides risk factors into strategic risks, operational risks (including risks of the operating activities, such as offer calculation, production, and procurement risks), damage risks (including risks related to safety at work), as well as financial and administrative risks.

Strategic risks

NYAB steers its business operations in accordance with its strategy. The Company is not able to control all factors related to growth in accordance with the strategy, as well as to financial and competitive improvement entirely or partially. It is possible that there will be changes in the general development of the economy, demand for NYAB's services, or regulation affecting the operations of the group companies and that have a detrimental effect on the strategy execution and financial position. The Company is currently not aware of significant regulatory changes that affect the industry.

NYAB has grown its business operations with corporate acquisitions and transactions, and strengthening its competence and supporting its growth with strategic acquisitions continues to be a part of the strategy. It is possible that NYAB can't find acquisition targets that support its strategy and business operations, or that the integration of potential targets to business operations is not successful and expected strategic targets and synergies cannot be reached with the acquisitions. Risks involved in corporate transactions are first and foremost managed by studying the acquisition target carefully, as well as legal and financial due diligence reviews carried out by reliable and experienced third parties.

Operative risks

NYAB's operations are based on projects. Project agreements are often based on fixed pricing, in which case the emphasis is on cost management and the validity of offer calculation. Decision-making authorities

regarding offers and project agreements are defined based on the size of the project, with which the risk of submitting an offer that is based on incorrect offer calculation is controlled.

Negative changes in the availability and market prices of materials that NYAB uses in its business operations may have an essentially detrimental impact in the profitability of the group. NYAB depends particularly on steel, fuels, bitumen, concrete, and timber in its business operations. At the offering stage, cost risk of raw materials and products is controlled, in principle, with binding offers from the suppliers. NYAB does not currently hedge its open cost risk with derivatives, but the aim is to index-link costs in customer agreements, where applicable, so that costs of raw materials don't become larger than evaluated in the offering stage.

NYAB expects the construction of solar power to grow into a significant pillar of the energy construction of the group alongside the rapidly growing wind power construction.

Damage risks

NYAB has recognized the significant damage risks relating to its business operations and prepared for them with insurances that are customary to the industry. Valid insurances widely cover business operations of the whole group.

Accidents are more frequent at construction sites than in several other industries. Construction sites are dangerous working environments, where serious personal injuries and accidents may take place. NYAB controls these risks, for example, with comprehensive safety instructions, regular training and standardized orientation practices. Personnel and visitors are also specifically orientated with each working site.

Financial and administrative risks

Changes in macroeconomic environment or general financial market situation may cause currency, liquidity, interest, and credit risks that have a detrimental effect on NYAB's business operations, result, or financial standing. More than 70% of NYAB's revenue is generated in Swedish markets, in which case the fluctuation of the currency rate between euro and Swedish krona has a significant effect on the reported euro-nominated financial information of the group. Translation risk caused by currency rates is aimed at being controlled, in principle, by so that assets and liabilities of each group company are in the local currency of their operating countries. NYAB does not actively hedge against the transaction risk of currency rates, as revenues and expenses originating from each

group company's business operations are mainly in the same currency, in which case the transaction risk is not material in respect of the business operations.

NYAB is continuously seeking to predict and monitor its financing needs to ensure sufficient liquid assets. Low indebtedness of the Company and moderate invested needs in the core business enable flexibility in financing. NYAB has restructured its financing at the end of 2022, after which a significant part of its debt financing consists of a long-term loan that has a fixed interest rate. However, financing needs of the group may change as the business operations grow and expand, in which case raising new funding or obtaining guarantees may fail, or their price or covenants and other terms and conditions may be unfavorable. Consequently, NYAB may not get to seize emerging business opportunities or making all necessary investments to develop its business operations.

NYAB, in principle, aims at executing corporate arrangements that support its growth through an exchange of shares, in which case shareholders of acquired companies are committed to the operations of the Company without major cash effects. Significant investment needs are especially involved in the business operations of an associated company Skarta Energy. The associated company's possibilities to raise funding with competitive terms therefore may have an essential impact on its growth prospects and possibly to NYAB's potential orderbook as well regarding contracts relating to the engineering and construction of projects.

NYAB may also suffer credit losses, if its customers or financial counterparties are unable to meet their contractual obligations towards the group. Exceptional market conditions may cause unexpected credit risks for the customers of the group that, if materialized, may have an essentially detrimental effect on NYAB's business operations, result, and financial standing. NYAB aims at constantly monitoring and evaluating the creditworthiness of its clients to control its potential credit risks. In addition, NYAB aims at ensuring a sufficient extent of the customer portfolio so that the credit risk caused by singular customers would not be essentially detrimental for the group. NYAB's largest client is Trafikverket, Swedish government agency that has an excellent creditworthiness.

Ongoing litigations

The South Savo District Court delivered a judgement in a dispute between NYAB Finland Oy and Mikkeli Waterworks at the end of December. The District Court ruled that Mikkeli Waterworks, a municipal enterprise owned by the city of Mikkeli, was not entitled to terminate two project agreements, that were the object of the proceedings, in March 2020. Mikkeli Waterworks was ordered to pay NYAB a total compensation of approximately 8.3 million euros with interest on delayed payments and reimburse its costs of proceedings with approximately 0.6 million euros. The accrued interest on the delayed payments was approximately 1.6 million euros at the end of the financial year. Mikkeli Waterworks' counter claim, in which it claimed approximately 1.3 million euros of damages resulting from an alleged breach of project agreements, was rejected in its entirety.



Judgement of the District Court is not yet final, which is why NYAB does not report any impact on profits for 2022 due to the ruling. NYAB estimates that the verdict of the District Court, if it becomes final, would have a positive impact on the result of the group of more than four million euros. Mikkeli Waterworks is entitled to appeal the verdict until the end of May.

NYAB Plc is also a party to certain litigations regarding transactions between 2015-2017 that relate to the investment service business operations of its former subsidiary company, PCM Holding Oy. The Company has been demanded a compensation of approximately 2.5 million euros with claims that have not been processed in the District Court, as legal disputes between the claimants and PCM Holding have not been resolved. The Company regards the claims unfounded, and according to its legal advisors it is very unlikely for the Company to be held liable for possible

damages caused in the operations of PCM Holding. In addition, the Company is a party to two disputes initiated by the bankruptcy administrator of Lapis Rakennus group companies. Monetary interest in these litigations is not significant for the Company, and it has won them in those instances that have so far processed them.

Financial reporting

NYAB will publish a half-yearly report for 1 January–30 June 2023 on Friday, 25 August 2023. In addition, NYAB will publish business reviews for the first and the third quarter, when an interim report according to the rulebook of Nasdaq First North Growth Market Finland is not released. Business review for the period 1 January–31 March 2023 will be released on 12 May 2023, and for the period 1 July–30 September 2023 on 10 November 2023.

Investor calendar 2023

- Annual General Meeting to take place on 26 April
- Q1 Business review to be released on 12 May
- Half-yearly report to be released on 25 August
- Q3 Business review to be released on 10 November

Key figures

Key figures of the Group

	1-12 /2022	1-12/2021	Change, %
Revenue, 1,000 EUR	247,702	41,646	494.8%
EBITDA, 1,000 EUR	33,100	1,895	1,646.7%
share of revenue	13.4%	4.6%	8.8 p.p.
EBITA, 1,000 EUR	30,488	1317	2,215.0%
share of revenue	12.3%	3.2%	9.1 p.p.
EBIT, 1,000 EUR	12,242	-838	1,560.9%
share of revenue	4.9%	-2.0%	6.9 p.p.
Profit for the period, 1,000 EUR	8,396	-4,884	271.9%
share of revenue	3.4%	-11.7%	15.1 p.p.
Earnings per share, EUR	0.01	-0.02	170.2%
Equity per share, EUR	0.37	0.19	95.7%
Equity ratio	78.8%	72.2%	6.6 p.p.
Return on equity (ROE)	5.3%	-16.7%	22.0 p.p.
Order backlog, 1,000 EUR	238,722	31,053	238,722

Key figures of the parent company

	1-12 /2022	1-12/2021	Change, %
Revenue, 1,000 EUR	2,704	2,428	11.4%
EBITDA, 1,000 EUR	212	-943	122.5%
share of revenue	7.9%	-38.8%	46.7 p.p.
EBITA, 1,000 EUR	212	-1043	120.3%
share of revenue	7.9%	-43.0%	50.9 p.p.
EBIT, 1,000 EUR	212	-1392	115.2%
share of revenue	7.9%	-57.3%	65.2 p.p.
Profit for the period, 1,000 EUR	-396	-5582	92.9%
share of revenue	-14.7%	-229.9%	215.2 p.p.
Earnings per share, EUR	0.00	-0.02	97.2 p.p.
Equity per share, EUR	0.36	0.19	89.9%
Equity ratio	98.2%	94.6%	3.6 p.p.
Return on equity (ROE)	-0.3%	-18.4%	18.1 p.p.
Shares at the end of the period	706,658,238	288,397,790	145.0%

Principles for calculating the key figures

Operating profit (EBIT), % of revenue	=	100 x	$\frac{\text{EBIT}}{\text{Revenue}}$
EBITDA, % of revenue	=	100 x	$\frac{\text{EBIT} + \text{depreciations, amortization, and reduction in value}}{\text{Revenue}}$
EBITA	=		EBIT + amortization and reduction in value of intangible assets
Profit for the period, % of revenue	=	100 x	$\frac{\text{Profit for the period}}{\text{Revenue}}$
Earnings per share	=		$\frac{\text{Profit for the period}}{\text{Number of shares at the end of the period}}$
Equity per share	=		$\frac{\text{Equity at the end of the period}}{\text{Number of shares at the end of the period}}$
Equity ratio	=	100 x	$\frac{\text{Equity}}{\text{Balance sheet total} - \text{advances received}}$
Return on equity	=		$\frac{\text{Profit for the period}}{\text{Average equity of the financial period} + \text{minority shares}}$



Financial Statements

NYAB Plc's financial statements 1.1.-31.12.2022

Consolidated income statement

EUR	1-12/2022	1-12/2021
Revenue	247,701,652	41,645,627
Variation in stocks of finished goods and work in progress	-1,324,084	0
Manufacturing for own use	0	287,638
Other operating income	20,719,736	1,017,196
Raw materials and services		
Raw materials and consumables	-157,455,502	-12,949,070
Variation in stocks	474,820	-95,466
External services	-37,324,739	-18,013,457
Total raw materials and services	-194,305,421	-31,057,993
Staff expenses		
Wages and salaries	-24,203,871	-4,476,528
Social security expenses		
Pension expenses	-1,788,922	-690,560
Other social security expenses	-326,893	-375,433
Total staff expenses	-26,319,686	-5,542,521
Depreciation, amortization, and reduction in value	-20,857,777	-2,732,602
Other operating expenses	-13,372,563	-4,454,866
Operating profit (loss)	12,241,857	-837,521

EUR	1-12/2022	1-12/2021
Financial income and expenses		
Income from other investments held as non-current assets	26,430	150,873
Other interest income and financial income	574,119	20,816
Reduction in value of investments held as non-current assets	-1,216,840	-3,382,985
Reduction in value of current assets	0	-245,273
Interest and other financial expenses	-1,020,773	-520,906
Total financial income and expenses	-1,637,064	-3,977,475
Share of profit in associated companies	-30,352	71,389
Profit (loss) before appropriations and taxes	10,574,443	-4,743,607
Adjustment from Group transactions	913,465	0
Income taxes	-2,317,288	-93,096
Calculatory taxes	-774,417	-47,772
Profit (loss) of the financial year	8,396,203	-4,884,475

Consolidated balance sheet

EUR	31.12.2022	31.12.2021
ASSETS		
Non-current assets		
Intangible assets	206,575,915	36,768,772
Tangible assets	15,277,369	5,480,239
Investments	16,734,115	5,441,313
Total non-current assets	238,587,399	47,690,324
Current assets		
Stocks	2,303,273	1,806,163
Long-term receivables		
Loan receivables	0	0
Other receivables	343,480	368,480
Total long-term receivables	343,480	368,480
Short-term receivables		
Trade debtors	50,617,592	6,651,756
Other debtors	5,238,877	1,467,323
Prepayments and accrued income	26,759,350	14,671,059
Total short-term receivables	82,615,818	22,790,138
Investments	35,219	35,219
Cash and cash equivalents	13,827,560	4,140,969
Total current assets	99,125,350	29,140,969
Total assets	337,712,749	76,831,293

EUR	31.12.2022	31.12.2021
CAPITAL, RESERVES AND LIABILITIES		
Capital and reserves		
Subscribed capital	80,000	80,000
Reserve for invested unrestricted equity	273,234,718	75,109,236
Retained earnings	-18,964,208	-14,835,377
Profit (loss) for the financial year	8,396,203	-4,884,475
Total capital and reserves	262,746,712	55,469,384
Appropriations	0	45,371
Provisions	82,838	31,999
Creditors		
Long-term liabilities		
Liabilities to credit institutions	11,302,817	4,092,540
Total long-term liabilities	11,302,817	4,092,540
Short-term liabilities		
Liabilities to credit institutions	7,178,138	1,641,896
Advances received	4,415,426	85,785
Trade creditors	24,427,707	7,105,309
Deferred tax liabilities	3,134,434	0
Other creditors	17,825,478	3,030,861
Accruals and deferred income	6,599,201	5,328,148
Total short-term liabilities	63,580,382	17,191,999
Total creditors	74,883,199	21,284,539
Total capital, reserves, and liabilities	337,712,749	76,831,293

Consolidated cash flow statement

EUR	1-12/2022	1-12/2021
Cash flow from business operations		
Profit/loss before appropriations and taxes	10,574,443	-4,743,607
Adjustments	7,927,097	5,769,549
Changes in working capital*	-16,895,652	5,215,332
Interests and payments from other financial expenses	-1,022,622	-390,559
Direct taxes paid	-1,239,903	-175,119
Cash flow from business operations	-656,637	5,675,596
Cash flow from investments		
Investments in tangible and intangible assets	-1,955,756	-4,538,461
Disposal income from tangible and intangible assets	4,806,726	1,502,306
Acquisition of shares in a subsidiary company	-3,306,169	0
Cash flow resulting from an acquisition of a subsidiary	11,809,223	0
Investments in other investments	569,246	-484,063
Loans granted	0	1,016,000
Cash flow from investments	11,923,270	-2,504,218
Cash flow from financing		
Long-term loans raised	14,343,014	1,641,896
Instalments of long-term loans	-8,283,099	-1,873,460
Liabilities obtained upon the subsidiary acquisition	-1,985,665	0
Payment of the dividend liability	-5,654,293	0
Impact of changes in group structure	0	304,917
Cash flow from financing	-1,580,043	73,353

EUR	1-12/2022	1-12/2021
Change in cash and cash equivalents	9,686,591	3,244,731
Cash and cash equivalents at the beginning of the period	4,140,969	896,238
Cash and cash equivalents at the end of the period	13,827,560	4,140,969
Changes in working capital for 2022:		
Increase in short-term interest-free business receivables	-45,276,975	
Increase in inventories	-497,109	
Increase in short-term interest-free payables	33,945,771	
Impact of subsidiary companies at the moment of acquisition	-5,067,339	
Total	-16,895,652	

Income statement of the parent company

EUR	1.1.-31.12.2022	1.1.-31.12.2021
Revenue	2,704,305	2,428,428
Other operating income	573,993	369,144
Raw materials and services		
Raw materials and consumables	-33,317	-1,479,643
Total raw materials and services	-33,317	-1,479,643
Staff expenses		
Wages and salaries	-1,165,826	-713,174
Social security expenses		
Pension expenses	-184,787	-93,449
Other social security expenses	-27,736	-17,570
Total staff expenses	-1,378,349	-824,193
Depreciation, amortization, and reduction in value	0	-449,151
Other operating expenses	-1,654,194	-1,436,801
Operating profit (loss)	212,438	-1,392,216

EUR	1.1.-31.12.2022	1.1.-31.12.2021
Financial income and expenses		
Income from other investments held as non-current assets	275,830	7,493
Other interest income and financial income	607,343	-11,930
Reduction in value	-1,238,852	-3,868,139
Interest and other financial expenses	-253,215	-317,246
Total financial income and expenses	-608,894	-4,189,822
Profit (loss) before appropriations and taxes	-396,456	-5,582,038
Profit (loss) of the financial year	-396,456	-5,582,038

Balance sheet of the parent company

EUR	31.12.2022	31.12.2021
ASSETS		
Non-current assets		
Intangible assets	0	0
Tangible assets	0	0
Investments	257,079,538	57,952,925
Total non-current assets	257,079,538	57,952,925
Current assets		
Long-term receivables		
Other long-term group receivables	1,451,328	0
Loan receivables	0	25,000
Total long-term receivables	1,451,328	25,000
Short-term receivables		
Trade debtors from group companies	389,020	0
Other debtors from group companies	544,084	39,114
Other debtors	18,353	61,814
Prepayments and accrued income	32,375	13,704
Total short-term receivables	983,832	114,632
Cash and cash equivalents	141,602	16,045
Total current assets	2,576,762	155,676
Total assets	259,656,299	58,108,601

EUR	31.12.2022	31.12.2021
CAPITAL, RESERVES AND LIABILITIES		
Capital and reserves		
Subscribed capital	80,000	80,000
Reserve for invested unrestricted equity	273,234,718	72,850,110
Retained earnings	-17,966,780	-12,384,742
Profit (loss) for the financial year	-396,456	-5,582,038
Total capital and reserves	254,951,481	54,963,330
Creditors		
Long-term liabilities		
Liabilities to credit institutions	147,809	547,602
Liabilities to group companies	3,894,307	1,621,612
Other liabilities	0	250,000
Total long-term liabilities	4,042,116	2,419,214
Short-term liabilities		
Liabilities to credit institutions	49,270	63,007
Trade creditors	113,549	343,489
Liabilities to group companies	75,668	34,183
Other liabilities	34,482	23,522
Accruals and deferred income	389,732	261,857
Total short-term liabilities	662,702	726,057
Total creditors	4,704,818	3,145,271
Total capital, reserves and liabilities	259,656,299	58,108,601

Notes regarding the drafting of the financial statements

Drafting principles of the consolidated financial statement

Scope of the consolidated financial statements

NYAB Finland Oy, Niskasen Maansiirto Oy, Sitema Oy and NYAB Kiruna AB have been consolidated to the financial statements from the period 1.1.-31.12.2022, NYAB Sverige AB, NYAB Infrastruktur AB and NYAB Mälardalen from the period 1.4.-31.12.2022, Power Forze AB from the period 1.9.-31.12.2022, and Skarta Energy Oy from the period 1.1.-23.12.2022. Crowhow Oy and Noweco Partners Oy have been dissolved through a voluntary liquidation and have been consolidated to the financial statements until the final settlement date on 27 October 2022. Associated company only has a minor effect on the financial statements.

Because of the significant corporate arrangements, the latest financial year is not comparable with the previous financial year regarding income statement and balance sheet.

Regarding the financial statements of the comparison year, Crowhow Oy and Noweco Partners Oy have been consolidated from the period 1.1.-31.12.2021, Investdeck Oy from the period 1.1.-30.6.2021, and PCM Holding Oy from the period 1.1.-31.7.2021. Skarta Finland Oy, Skarta Energy Oy, Niskasen Maansiirto Oy and Skarta AB have been consolidated to the financial statements from the period 1.8.-31.12.2021 and Sitema Oy from the period 1.11.-31.12.2021.

Consolidated financial statements

The Company is a parent company in a group. A consolidated financial statement has been drafted regarding the group and it covers consolidated income statement and balance sheet, as well as cash flow statement. The consolidated financial statement is stored in NYAB Plc's premises.

Elimination of internal ownership

The consolidated financial statement has been drafted using the acquisition cost method. The difference between the acquisition cost of the subsidiary company and the equity corresponding to the acquired ownership has been presented as consolidated goodwill. Goodwill targeted at assets is amortized according to the amortization plan of assets. Untargeted goodwill is presented as an individual item and is amortized in the effect period.

Internal transactions and profit margins

Intra-group business transactions, as well as mutual receivables and liabilities, have been eliminated.

Associated company

Associated companies have been consolidated using the equity method.

Comparability of the previous financial year

Financial statement information from the previous financial year is not comparable with financial year 2022, as the nature of business of the group, as well as subsidiary companies that carry out business

operations, have changed entirely during the previous financial year. Group companies have been consolidated to the consolidated financial statements from the period they have been in the group.

Valuation principles

Valuation of non-current assets

Intangible and tangible assets have been valued to the purchase price decreased by depreciations according to plan. Group companies comply with a depreciation plan, where asset-specific depreciation periods have been defined.

Purchases of assets, the economic life of which is less than three years, as well as small purchases, have been recorded as expense of the financial year of the purchase in their entirety.

Depreciation and amortization periods are:

Buildings and structures	10–50 years
Other capitalised long-term expenses	5 years
Machinery and equipment	3–10 years
Activated development expenses	5 years
Goodwill	5–10 years

Amortization period of goodwill is defined according to the duration of financial profit expectations regarding the acquisition. Significant profit is expected from the subsidiaries acquired during the financial year for a

period that exceeds five years, because of which the goodwill has been periodized accordingly.

Valuation of stocks

Stocks have been valued to the purchase price or a lower probable resale price.

Recording of pensions

Personnel retirement plan has been arranged in an external pension insurance company. Pension costs are recorded as expenses in the year of accrual.

Periodization of income

Income originating from demanding deliverables that have a long manufacturing period has been recorded as income based on the stage of completion. These deliverables include projects of a significant size.

Stage of completion of long-term projects has been defined in relation of the realized expenses to the estimated total expenses of the projects.

Exchange rate conversions

Figures of the Swedish subgroup nominated in Swedish krona have been converted to euros so that average exchange rate of each month has been used in the income statement and the rate of the closing day of the financial period has been used in the balance sheet.

Income statement notes

Breakdown of revenue

EUR	Group		Parent	
	12/2022	12/2021	12/2022	12/2021
According to percentage of completion	221,775,825	31,110,570	0	0
From securities and foreign currency transactions	0	1,451,373	0	1,451,373
Other revenue	25,925,827	9,083,684	2,704,305	977,056
Total revenue	247,701,652	41,645,627	2,704,305	2,428,428
Amount of income recognised according to level of completion of long-term projects not yet delivered to customers in the review period and previous periods	209,603,942	48,710,144		
Unrecognized income of long-term projects				
Projects recognized as profit according to the percentage of completion	216,357,769	31,053,149		
Projects recognized as profit according to the delivery to customer	22,364,231	0		
Total order backlog	238,722,000	31,053,149		
Aggregated items related to long-term projects				
Accrued income according to the percentage of completion	209,603,942	34,689,196		
Prepayments received	-195,516,146	-29,587,241		
Project receivables in current assets	18 503 222	5,101,955		
Advances received in the balance sheet	-4 415 426			

Other operating income

EUR	Group		Parent	
	12/2022	12/2021	12/2022	12/2021
Profit on sales	18,747,195	47,098	0	18,183
Rental income	150,300	156,500	150,300	156,500
Other	1,822,241	813,598	423,693	194,461
Total	20,719,736	1,017,196	573,993	369,144

Raw materials and services

EUR	Group		Parent	
	12/2022	12/2021	12/2022	12/2021
Purchases of securities	-	503,887	0	503,887
Raw materials and consumables	157,597,008	12,445,183	159	22
External services	37,324,739	18,013,457	0	0
Variation in stocks	-616,327	95,466	0	975,735
Total raw materials and services	194,305,420	31,057,993	159	1,479,644

Average number of personnel during the financial period

EUR	Group		Parent	
	12/2022	12/2021	12/2022	12/2021
Functionaries	190	58	9	11
Workers	119	23	0	0
Total	309	81	9	11

Directors' remuneration

EUR	Group		Parent	
	12/2022	12/2021	12/2022	12/2021
CEO	187,299	175,840	187,299	175,840
Board members	208,000	121,500	208,000	121,500
Total	395,299	297,340	395,299	297,340

Group figures for directors' remuneration include remuneration of CEO and Board members of the parent company.

Other operating expenses

EUR	Group		Parent	
	12/2022	12/2021	12/2022	12/2021
Expenses from premises	663,378	440,060	265,723	271,272
Expenses from computer devices and programs	713,334	436,634	201,226	175,021
Marketing expenses	275,488	186,190	170,272	142,511
Administrative services	1,197,571	1,102,264	601,320	680,531
Other administrative expenses	840,951	332,477	118,536	95,578
Other operating expenses	9,681,840	1,957,241	297,117	71,888
Total other operating expenses	13,372,562	4,454,866	1,654,194	1,436,801

Auditor's fee

EUR	Group		Parent	
	12/2022	12/2021	12/2022	12/2021
Audit fee	158,942	88,710	34,980	60,533
Other services	137,631	90,191	126,598	41,330

Financial income and expenses

EUR	Group		Parent	
	12/2022	12/2021	12/2022	12/2021
Income from other investments held as non-current assets				
Dividends received from group companies	0	0	250,000	0
Dividends received	7,605	7,493	7,005	7,493
Other income from investments held as non-current assets	18,825	143,380	18,825	0
Total income from investments held as non-current assets	26,430	150,873	275,830	7,493
Other interest and financial income	574,119	20,816	607,343	-11,930
Reduction in value				
Investments held as non-current assets	1,216,840	3,382,985	1,216,840	3,725,759
Financial assets	0	102,892	0	0
Group receivables	0	142,380	22,013	142,380
Total reduction in value	1,216,840	3,628,257	1,238,852	3,868,139
Interest and other financial expenses				
To companies in the same group	0	0	220,256	13,340
To others	1,020,773	520,906	32,959	303,907
Total interest and other financial expenses	1,020,773	520,906	253,215	317,246
Total financial income and expenses	-1,637,064	-3,977,474	-608,894	-4,189,822
Income taxes				
Income taxes from operations	2,317,288	93,096	0	0
Calculatory taxes	774,417	47,772	0	0
Total income taxes	3,091,705	140,868	0	0

Notes on assets

EUR	Consolidated goodwill	Other long-term expenses	Total
Intangible assets (group)			
Book value 1 January 2022	36,413,493	355,278	36,768,771
Changes during the period	188,372,094	-303,485	188,068,609
Depreciations according to plan	-18,241,131	-20,334	-18,261,465
Reduction in value	0	0	0
Book value 31 December 2022	206,544,456	31,459	206,575,915

EUR	Land areas and connection payments	Buildings and structures	Machinery, tools, and movables	Prepayments	Total
Tangible assets (group)					
Book value 1 January 2022	233,865	0	5,238,374	8,000	5,480,239
Changes during the period	953,401	3,259,748	7,094,955	856,726	12,164,830
Depreciations according to plan	-35,615	0	-2,332,085	0	-2,367,700
Reduction in value	0	0	0	0	0
Book value 31 December 2022	1,151,651	3,259,748	10,001,244	864,726	15,277,369

EUR	Associated companies	Other shares and participations	Long-term receivables	Total
Investments (group)				
Book value 1 January 2022	1,327,372	4,013,652	100,288	5,441,312
Additions	10,180,788	16,751	3,019,212	13,216,751
Decreases	-130,196	-209,506	-100,278	-439,980
Capital repayments	-267,760	0	0	-267,760
Reduction in value	0	-1,216,208	0	-1,216,208
Book value 31 December 2022	11,110,204	2,604,689	3,019,222	16,734,115

Decreases in other shares and participations include sales of the financial instruments.

Group companies

	Domicile	Group shareholding %
NYAB Finland Oy	Oulu	100
Niskasen Maansiirto Oy	Haapajärvi	100
NYAB Kiruna AB	Kiruna	100
Rollout Holding AB	Kiruna	100
Inframix AB	Kiruna	100
Sitema Oy	Oulu	100
NYAB Sverige AB	Luleå	100
Power Forze AB	Jokkmokk	100
NYAB Mälardalen AB	Hägersten	100
NYAB Infrastruktur AB	Kalix	100

Associated company

EUR	Domicile	Group shareholding %
Before Holding Oy	Helsinki	49.63
Profit for the period		-65,746
Equity on 31 December 2022		1,864,964

All shares in Skarta Energy Oy have been sold on 23 December 2022. Hereafter, NYAB Finland has formed a joint venture with CapMan Nordic Infrastructure II fund. The joint venture owns all shares in Skarta Energy Oy, and NYAB Finland Oy owns 40% of the joint venture.

Breakdown of receivables

EUR	Group		Parent	
	12/2022	12/2021	12/2022	12/2021
Long-term receivables				
Loan receivables			0	25,000
Loan receivables from group companies			1,451,438	
Other receivables	343,480	368,480	0	0
Total long-term receivables	343,480	368,480	1,451,328	25,000

Short-term receivables

EUR	Group		Parent	
	12/2022	12/2021	12/2022	12/2021
Receivables from group companies				
Trade debtors	0	0	389,020	17,850
Loan receivables	0	0	539,481	0
Other receivables	0	0	0	0
Prepayments and accrued income	0	0	4,603	21,264
Total	0	0	933,104	39,114
Receivables from others				
Trade debtors	50,617,592	6,651,756	0	0
Loan receivables	0	0	0	0
Other receivables	5,238,877	1,467,323	18,353	61,814
Prepayments and accrued income	26,759,350	14,671,059	32,375	13,704
Total	82,615,818	22,790,138	50,728	75,518
Total short-term receivables	82,615,818	22,790,138	983,832	114,632
Relevant items in prepayments and accrued income				
Share of projects that have been handed over and not invoiced	4,338,195	6,802,781	0	0
Project receivables	18,503,222	5,101,955	0	0
Other prepayments	2,096,043	1,376,653	0	0
Others	1,821,890	1,447,310	0	0
Total prepayments and accrued income	26,759,350	14,728,699	0	0

Notes on capital, reserves, and liabilities

Balance sheet item specific breakdown of additions and reductions of equity and transfers between these items during the financial period. Reserves of the group companies that have been dissolved during the financial year have an effect of 2,259,126 euros on the retained earnings.

Capital and reserves

EUR	Group		Parent	
	12/2022	12/2021	12/2022	12/2021
Restricted equity				
Subscribed capital on 1 January	80,000	80,000	80,000	80,000
Subscribed capital on 31 December	80,000	80,000	80,000	80,000
Total restricted equity	80,000	80,000	80,000	80,000
Unrestricted equity				
Reserve for invested unrestricted equity				
Book value on 1 January	75,109,236	17,053,958	72,850,109	17,053,958
Profit distribution	0	-884,918	0	-884,918
Share issues with payment	200,384,608	56,681,070	200,384,608	56,681,069
Effect of disposed subsidiaries	-2,259,126	2,259,126	0	0
Book value on 31 December	273,234,718	75,109,236	273,234,718	72,850,109
Retained earnings				
Result of previous financial years	-19,719,852	-14,003,390	-17,966,780	-11,549,192
Adjustment to investment unrestricted equity reserve	2,259,126	3,563	0	0
Translation difference	-1,503,483	0	0	0
Change in the valuation of shares	0	-835,550	0	-835,550
Book value at the end of the period	-18,964,209	-14,835,377	-17,966,780	-12,384,742

EUR	Group		Parent	
	12/2022	12/2021	12/2022	12/2021
Profit/loss for the financial year	8,396,203	-4,884,475	-396,456	-5,582,038
Total unrestricted equity	262,666,712	55,389,384	254,871,482	54,883,330
Total equity	262,746,712	55,469,384	254,951,482	54,963,330
Total distributable equity			254,871,482	54,883,330
Regulated provisions				
Provisions in long-term projects	82,838	31,999		

Long-term liabilities

EUR	Group		Parent	
	12/2022	12/2021	12/2022	12/2021
Liabilities to group companies				
Liabilities to companies in the same group	0	0	3,894,307	1,621,612
Total	0	0	3,894,307	1,621,612
Liabilities to others				
Loans from credit institutions	10,514,887	3,842,540	147,809	547,602
Other long-term liabilities	787,930	250,000	0	250,000
Total	11,302,817	4,092,540	147,809	797,602
Total long-term liabilities	11,302,817	4,092,540	4,042,116	2,419,214

Short-term liabilities

EUR	Group		Parent	
	12/2022	12/2021	12/2022	12/2021
Liabilities to group companies				
Trade creditors	0	0	10,725	0
Other liabilities to group companies	0	0	64,943	34,183
Total	0	0	75,668	34,183
Liabilities to others				
Loans from credit institutions	7,178,138	1,641,896	49,270	63,007
Advances received	4,415,426	85,785	0	0
Trade creditors	24,427,707	7,105,309	113,549	343,489
Deferred tax liabilities	3,134,434	0	0	0
Other creditors	17,825,478	3,030,861	34,482	23,522
Accruals and deferred income	6,599,201	5,328,148	389,732	261,857
Total	63,580,382	17,191,999	587,033	691,874
Total short-term liabilities	63,580,382	17,191,999	662,701	726,057

Relevant items in accruals and deferred income

EUR	Group		Parent	
	12/2022	12/2021	12/2022	12/2021
Holiday pay liabilities	1,557,179	1,446,183	118,828	66,769
Pension insurance payments	497,610	454,084	42,072	11,197
Accrued interest expenses	203,606	205,456	165,342	167,046
Others	4,340,805	3,222,425	63,491	16,846
Total	6,599,201	5,328,148	389,732	261,857

Collateral, contingent claims, and commitments

Collateral given from own liabilities and commitments

EUR	Group		Parent	
	12/2022	12/2021	12/2022	12/2021
Enterprise mortgages	18,293,092	7,836,626	0	0
Other collateral given	1,393,659			

Machinery and equipment purchased with instalment financing is given as a collateral against the financing.

Commitments on behalf of companies in the same group

EUR	Parent	
	12/2022	12/2021
Guarantees	15,009,648	3,314,800

Parent company has given guarantees to guarantee insurance companies for the project guarantees of 36.9 million euros, of which 28.6 million euros is used by the group companies. Group companies have 2.9 million euros of own guarantees. Parent company has given a general guarantee on behalf of group companies to the financiers.

Commitments on behalf of others

EUR	Group		Parent	
	12/2022	12/2021	12/2022	12/2021
Rental liabilities	708,634	1,011,864	73,504	6,944

Leasing liabilities

EUR	Group		Parent	
	12/2022	12/2021	12/2022	12/2021
Payable during the following year	640,915	78,046	12,576	47,714
Payable later	1,479,211	237,895	40,872	150,760
Total	2,120,125	315,941	53,448	198,474



Other liabilities

Group's financial agreement includes certain covenants, such as equity ratio exceeding 50% and net debt per rolling 12 months EBITDA ratio not exceeding 2.0. All covenants have been fulfilled on the date of the financial statements.

Related party transactions

The consolidated income statement includes 28,684 euros of rent payments for business premises to Kallastor Oy, a company controlled by Jukka Juola, member of NYAB Plc's Board of Directors.

Ledgers used

Subsidiary ledger	Electronic archive
General ledger	Electronic archive
Financial statements	Electronic archive
Balance sheet itemization	Electronic archive

Documents and archiving

Sales invoices	Electronic archive
Purchase invoices	Electronic archive of the recordings
Electronic invoices (purchase invoices)	Electronic archive
Travel and expense invoices	Electronic archive
Wages and salaries	Electronic archive
Bank statements, proofs of payment	Electronic archive
VAT calculations	Electronic archive
Periodic tax returns	Electronic archive



Signatures to the financial statements

17 March 2023

Markku Kankaala
Chairman of the Board

Lars-Eric Aaro
Board member

Jukka Juola
Board member

Johan K Nilsson
Board member

Mikael Ritola
Board member

Aarne Simula
Board member

Jari Suominen
Board member

Johan Larsson
Board member, CEO

Auditor's note

A report on the audit carried out has been submitted today.

Helsinki, 31 March 2023

Osmo Valovirta
Authorized Public Accountant

Audit firm Ernst & Young Oy
Anders Forsström
Authorized Public Accountant

Auditor's report

(Translation of the Finnish original)

To the Annual General Meeting of NYAB Oyj

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NYAB Oyj (business identity code 2393685-6) for the year ended 31 December, 2022. The financial statements comprise the balance sheets, the income statements and notes for the group as well as for the parent company and also the cash flow statement for the group.

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level

of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other reporting requirements

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 31 March 2023

Osmo Valovirta
Authorized Public
Accountant

Audit firm Ernst & Young Oy
Anders Forsström
Authorized Public
Accountant



www.nyabgroup.com

