INTERIM REPORT

1.1. – 31 March 2023

SRV GROUP PLC

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SRV GROUP PLC
INTERIM REPORT, 1 JANUARY–31 MARCH 2023

CONTENTS

THE ORDER BACKLOG STRENGTHENED, A DECLINE IN HOUSING CONSTRUCTION REDUCED REVENUES AND PROFITS – GUIDANCE REMAINS UNCHANGED

January–March 2023 in brief:

- **Revenue** amounted to EUR 138.3 (190.7) million.
- **Operative operating profit** amounted to EUR -2.0 (4.9) million and **operating profit** was EUR -2.0 (-85.7) million.
- **The result before taxes** was EUR -4.4 (-128.5) million.
- **Cash flow from operating and investment activities** totalled EUR -16.8 (-25.8) million.
- **Equity ratio** rose to 35.0 (6.4 3/2022) per cent and **gearing** declined to 82.2 (748.4 3/2022) per cent. Excluding the impact of IFRS 16, the equity ratio was 49.2 (9.7) per cent and gearing was 4.1 (343.2) per cent.
- At period-end, **the order backlog** stood at EUR 871.0 (858.0) million. In January-March, new agreements valued at EUR 149.9 (130.1) million were signed. The sold share of the order backlog was 91.0 (91.9) per cent.
- **Earnings per share** were EUR -0.2 (-14.3). The share issues and 40:1 reverse share split in 2022 have been taken into account in the calculation of the comparison figure.

OUTLOOK (UNCHANGED)

During 2023, SRV's revenue and result will be affected by several factors in addition to general economic trends, such as: the timing and amount of income recognition for SRV's own projects, which are recognised as income upon delivery; the margin of the order backlog and its development; the start-up of new contracts and development projects; the war that Russia started against Ukraine, including its related direct and indirect effects, such as material costs and the availability of materials and labour; and changes in demand. Higher interest rates and inflation have a negative impact on demand for housing and business premises among consumers and investors, and thus pose uncertainty with respect to the estimated start-ups of new projects.

Revenue in 2023 will mainly be generated by cooperative contracting and development projects sold to investors. At the beginning of the year, the order backlog will focus strongly on cooperative contracting, which involves fewer risks but lower margins, due to which the largest share of earnings in 2023 is expected to be generated in the latter part of the year. In 2023, the share of revenue accounted for by developer-contracted housing production will remain small.

- Full-year consolidated **revenue** for 2023 is expected to decrease compared with 2022 (revenue in 2022: EUR 770.1 million).
- **Operative operating profit** is expected to be positive, but lower than in 2022 (operative operating profit in 2022: EUR 18.9 million).

SIGNIFICANT EVENTS AFTER THE PERIOD

- On 26 April 2023, SRV Group Plc announced that it had agreed on a committed, unsecured revolving credit facility (RCF) amounting to EUR 40 million with its key lenders. The RCF matures in two years with an optional one-year extension.

Group key figures (IFRS, milj. eur)	1-3/ 2023	1-3/ 2022	change	change, %	1-12/ 2022
Revenue	**138.3**	190.7	-52.4	-27.5	770.1
Operative operating profit[1)]	**-2.0**	4.9	-6.9	-140.3	18.9
Operative operating profit, %	**-1.4**	2.6	-4.0		2.5
Operating profit	**-2.0**	-85,7	83.7		-76.4
Operating profit, %	**-1.4**	-44,9	43.5		-9.9
Profit before taxes	**-4.4**	-128.5	124.0		-79.1
Net profit for the period	**-3.1**	-133.3	130.2		-85.7
Net profit for the period, %	**-2.3**	-69.9	67.6		-11.1
Earnings per share	**-0.2**	-14.3	14.1		-6.6
Order backlog (unrecognised)	**871.0**	858.0	13.0	1.5	838.8
Equity ratio, %	**35.0**	6.4	28.6		36.3
Equity ratio, %, excl. IFRS 16[1)]	**49.2**	9.7	39.5		48.2
Net gearing ratio, %	**82.2**	748.4	-666.2	-89.0	55.1
Net gearing ratio, %, excl. IFRS 16[1)]	**4.1**	343.2	-339.1	-98.8	-7.5
Financing reserves	**52.6**	57.2	-4.6	-8.1	65.9

1) The figure has been adjusted to remove the impacts of IFRS 16.

2) The key figure for 1-3/2022 has been adjusted, taking the 2022 share issues and reverse share split into account.

PRESIDENT & CEO'S REVIEW

As 2023 began, the market environment had weakened sharply due to high inflation, rising interest rates and economic uncertainty. The greatest decline has been seen in the demand for housing construction in all customer segments. Demand for business premises among investors is also cautious, which is further weakened by challenges posed by the price and availability of financing. Market development is aptly illustrated by the fact that the fourth quarter of 2022 accounted for only EUR 1.3 billion of the total transactions of EUR 7.3 billion that were made in Finland last year. The volume in the first quarter of this year was only EUR 0.4 billion.

Our revenue for the first quarter fell significantly short of the comparison period due to lower volumes in housing construction. The recognition of income from our order backlog is now strongly focused on cooperative contracting, which is low in risk and generates positive cash flow, but has a relatively modest profit margin. As a result of these factors, especially the low revenue, operative operating profit remained negative. We expect that the largest share of our earnings in 2023 will be accrued towards the end of the year, when new projects that have been entered into the order backlog and expected new projects will increase revenue and generate profit. Due to the structure of the order backlog and the fact that the volume is expected to be lower than last year, we forecast that operative operating profit will fall short of the previous year, but will nevertheless be positive.

Our order backlog swung to growth in the last quarter of 2022 and continued to see slight further growth in the first months of the year. We entered the Sammontalo Building in Lappeenranta, the Okmetic factory building in Vantaa and the Horisontti office skyscraper in Kalasatama, Helsinki into our order backlog. The start-up of our Horisontti development project – one of the few property transactions carried out in Finland during the first quarter – shows that there is demand for our unique tower construction concept even in the prevailing market situation. In April, after the end of the review period, we signed the first order for the Laakso Joint Hospital, underground excavation work – valued at approximately EUR 90 million – into our order backlog after a two-year development phase. We expect that the next orders, such as the interior decoration of underground facilities, such as the construction of a parking facility, and the first implementation phase of the hospital's main construction will be recognised in the order backlog later this year and at the beginning of 2024. The volume of housing construction will remain low in 2023, but our strong order backlog in business construction will carry us relatively well over challenging times and will enable us to develop our operations.

In the weakening market, it is imperative for our balance sheet to be healthy and our financing to be in good shape. In April, SRV agreed with its main financier banks in good cooperation on a new financing agreement that bolsters our liquidity and secures our financing for the next two years. In the current market environment, it is our clear advantage that very few of our residential units that have been completed and are under construction remain unsold – this means that we do not have significant capital and liquidity committed to unsold units.

This year, we will continue to focus on operating in line with our strategy – for instance, we aim to provide an excellent customer experience. Our efforts to enhance the customer experience were evident in the EPSI Rating survey, published in March, which assesses customer satisfaction in new housing construction – we achieved the greatest improvement in our rating. In the survey, we also received the highest index scores for the design quality of housing projects.

We are actively continuing to engage in negotiations in order to exit the last of our businesses in Russia. As the Investments segment had shrunk to minor significance both financially and strategically, we clarified our reporting structure and going forward will report on the Group as a single segment.

We expect that our revenue and operative operating profit will continue to face challenges in 2023 due to the prevailing market situation. That said, our project portfolio and the controllability of our projects are at a good level – and in our view, once the market recovers, we will be prepared to increase the share of our portfolio accounted for by higher-margin development and developer-contracting projects. Looking further into the future, we can also see that our operations are on a solid foundation, thanks to which we will be well-poised to build profitable growth.

BUSINESS ENVIRONMENT

The Finnish economy entered a recession in autumn 2022 due to Russia's war of aggression and the energy crisis. Economic growth this year is weakened by the economic uncertainty caused by the war and energy crisis, faster inflation and the resulting rise in interest rates. The Bank of Finland forecasts that GDP will contract by 0.2 per cent in 2023. Energy prices have fallen fast in recent months and inflation in the eurozone will slow down this year. The labour market situation remains good (source: Bank of Finland).

The interest rate market has remained tight, even though inflation seems to have passed its peak both globally and in Finland. Inflation remains high in relation to central bank targets in both Europe and the USA. Central banks are facing a difficult situation – the rapid rise in interest rates has not as yet been fully reflected in the economy in the form of lower inflation, but the banks also have to take into account the negative impacts of rapid interest hikes on the financial markets. The extent of the necessary policy tightening measures remains uncertain, which will likely have strong effects on market expectations. Surging interest rates and inflation as well as wintertime energy prices have posed challenges to consumers, which has been clearly evident in the strong weakening of demand in the housing market. In March, market pricing expected that the euribor for the year would peak at slightly over four per cent in autumn 2023 (source: OP Financial Outlook, March 2023).

Although construction saw growth of 1.5 per cent last year, the rise in construction costs and economic uncertainty put the brakes on the outlook for construction. Building start-ups and permits have been declining for over a year. The construction industry expects that construction will contract by 3.5 per cent this year and by 0.5 per cent in 2024 (source: Confederation of Finnish Construction Industries RT).

Russia's war against Ukraine, accelerating inflation and rising interest rates muted sales of real estate in the latter half of 2022. Trading volumes are expected to keep slackening in early 2023 due to the mismatch between the availability of financing and price levels. Investors expect that real estate transactions will pick up and are particularly interested in green transition projects (source: KTI).

Consumer confidence plummeted immediately when Russia invaded Ukraine. Consumer confidence remains weak, but confidence in their own finances and Finland's economy improved in the first months of the year. The balance figure for the consumer confidence indicator was -10.8 in March, while it was -18.5 in December 2022 (source: Statistics Finland).

At the end of 2022, the intentions of households to buy a residential unit declined significantly due to surging energy prices and higher interest rates. The volume of new housing construction began to fall off in autumn 2022 and this decline remains strong during the first part of the year. A total of 38,300 residential units were started up in 2022, but it is expected that the number of residential start-ups will decrease to 27,400 this year. The trend in building permits for business premises began to decline in 2022 as uncertainty and high costs hindered tender operations. On the heels of the weak trend in permits, the volume of the construction of business premises will continue to fall in the first part of the year. The construction of business premises is supported by public-sector construction and investments in the green transition, and its outlook is more upbeat than other types of construction (source: Confederation of Finnish Construction Industries RT).

Based on SRV's assessment of the prevailing market situation and its impacts on the company's operations, demand in housing sales will remain weak in the near future among both consumers and investors. For this reason, start-ups of new housing projects will remain very low in the entire market in the short term. The market for business premises is also more challenging than before, but is more upbeat than the housing market and more polarised in terms of demand. The public sector is making investments, and industrial investment demand is more active. In addition, there is still demand for user-oriented business premises in the current market situation. However, higher interest rates put pressure on investors' yield requirements and the availability of financing.

STRATEGY AND FINANCIAL OBJECTIVES

The aims of SRV's strategy are: mitigating climate change, the well-being of users and residents of the premises, sustainable income from real estate properties over their entire lifecycle, excellent customer experience, and ensuring SRV's long-term competitive advantage and profitable growth.

The strategy is being put into practice with four programmes.

Value through lifecycle-wise construction

This programme focuses on taking the entire lifecycle of the built environment into consideration – it implements construction solutions that aim to mitigate climate change. The carbon footprint and handprint are optimised through the choice of energy production methods and materials and through energy-efficient solutions, as well as by utilising new technological solutions. In addition, these buildings are safe investments thanks to their low costs over long lifespans as well as the comfort and adaptability of their premises.

During the review period, SRV used an entirely new kind of geothermal solution developed with its partners at the Matinkylä Upper Secondary School site that covered heating needs with renewable energy over the entire winter. This same energy production system will serve the building over its entire life cycle.

During the first quarter, the company also promoted the use of low-carbon materials by selecting low-carbon stones for the yard of the Lamminrahka School, thereby halving the emissions compared with a conventional solution.

Streamlining operations throughout the entire construction chain

In January–March, the programme continued to develop a systematic and standardised operating model for the risk management of the company's projects. The controllability of projects and business predictability have developed positively during the first quarter of the year. This was influenced by the renewed ERP system that we deployed early in the year, combined with our updated business status management system.

Best customer experience in the commercial premises market

SRV aims to provide the best customer experience in the commercial premises market. The NPS for commercial premises in 2022 was 50. Customer satisfaction continued to develop favourably in the first quarter. In addition, SRV has developed and stepped up services for cooperative implementation models for the private sector as well. An example of this is Okmetic's large-scale factory construction project in Van-taa, signed by SRV in February. In addition, while implementing a multipurpose hall for Rauma Marine Construction (RMC) – which we completed in March – we engaged in systematic dialogue with the customer, thanks to which we successfully found an adaptable solution for diverse production needs.

Increasing profitability in housing construction

Growth in the profitability of housing construction is the outcome of factors such as continuous improvement of processes and quality as well as customer satisfaction. In March, SRV achieved the greatest improvement in the EPSI Rating survey, which measures customer satisfaction in new construction. In the survey, SRV also received the highest index scores for the design quality of housing projects. This was also evident during handovers of SRV's new housing projects in the first quarter. The last apartment building in the city centre block in Kerava, Kiinteistöosakeyhtiö Aleksinniitty, was completed in April, and handed over with zero defects and no accidents.

Financial objectives

The company's operations are guided by the following long-term financial objectives that it aims to achieve by the end of 2026:

- Operative operating profit: 6%
- Revenue: EUR 900 million
- The objective is to distribute a dividend equalling 30-50 per cent of the annual result, while taking into account the outlook and capital needs of the company.

ESG REVIEW

SRV's sustainability efforts comprise environmental responsibility, social responsibility and good governance (ESG). These efforts are guided by the UN Sustainable Development Goals (SDG), of which the following are the most important to our operations:

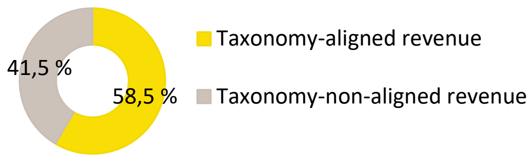
Environmental responsibility

SRV's long-term climate objective is for its own operations to be carbon neutral by 2030. By reducing emissions during construction, the company can have a direct impact on Finland's emissions, as construction is one of the largest sources of carbon dioxide emissions. SRV's construction sites have been net-zero emission sites with respect to its own operations since the beginning of 2022. In 2022, emissions from our own operations (Scope 1 and 2) decreased by 75 per cent. The company planted trees to serve as carbon sinks for the remaining emissions (5,000 t CO2). In 2023, SRV's own energy procurement is net emission free. Reporting on emissions will be specified in 2023.

SRV promotes responsible construction and aims to increase the share of green revenue in its development projects operations to 80 per cent in 2023. Green revenue covers the share of EU taxonomy-eligible revenue accounted for by taxonomy-aligned revenue for the review period and projects for which environmental certification is planned. In January-March, green revenue was over 70 per cent.

The EU Taxonomy is a classification system for sustainable finance. The taxonomy consists of a directive and the regulatory technical standards issued on the basis of the directive. In January-March, SRV's taxonomy-aligned revenue accounted for 58.5 per cent of taxonomy-eligible revenue for the financial period (EUR 73.0 million). Taxonomy-eligible revenue for the period accounted for 92.0 per cent (EUR 124.7 million) of total revenue. Due to its project management contracting model, SRV's taxonomy-eligible capital expenditure and operating expenses are low.

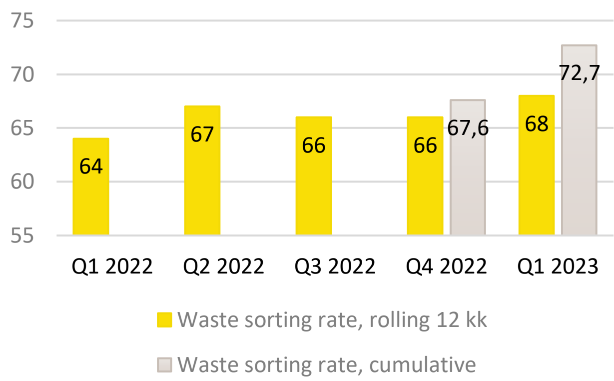
Taxonomy-aligned revenue, %, January–March*



*Of taxonomy-eligible revenue

Promoting waste sorting and the circular economy are the main objectives of SRV's environmental action. SRV's rolling construction waste sorting rate for the past 12 months stood at 68.5 per cent. The cumulative sorting rate for 2023 that SRV uses in EU taxonomy reporting was 72.7 per cent. The aim is to increase the cumulative sorting rate in all projects to over 70 per cent in line with the EU taxonomy.

Construction waste sorting rate* (%)

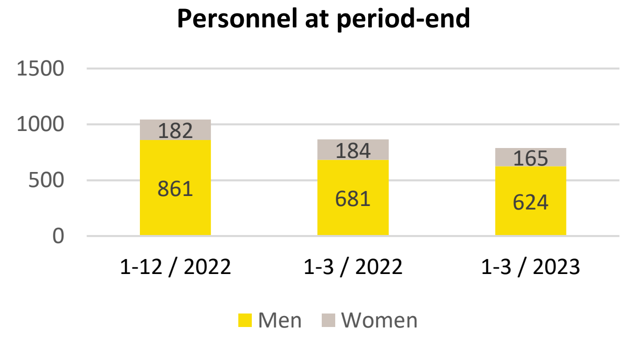


*Share of waste sorted at Finnish construction sites. Reported amounts do not include demolition waste or surplus soil.

Social responsibility

Personnel

SRV aims to be a safe, equal workplace with a good community spirit. SRV employed an average of 789 (936 1–3/2022) people in January–March 2023. Personnel work motivation was excellent in March (4.1/5.0). At the end of March 2023, SRV had 165 (184) female employees, representing 21 (21) per cent of personnel, and 624 (681) male employees, 79 (79) per cent of personnel.



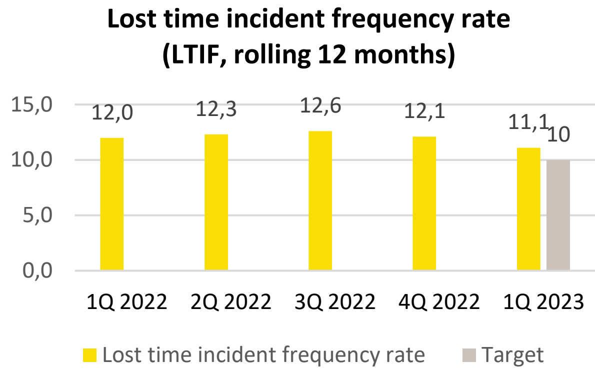
Customers

SRV regularly measures customer satisfaction. In January-March 2023, NPS B2C was 60 (target: 39) and NPS B2B was 64 (target: 53). Customers also rated how well we conducted our business in accordance with our customer promise 8.2/10 B2C (target: 8.2) and 8.4/10 B2B (target: 8.5).

Occupational health and safety

SRV's long-term objective is to achieve a zero-accident frequency. The main theme of SRV's occupational safety in 2023 is to encourage a low threshold for intervening in neglect of occupational safety and to ensure a safe working environment for all those who work with the company. New operating methods to concretely address neglect of occupational safety were adopted at the beginning of 2023.

SRV's Lost time incident frequency rate target for 2023 is 10 accidents per million hours worked. In March 2023, the Group's rolling 12-month Lost time incident rate for its own and subcontractors' personnel stood at 11.1 accidents per million hours worked.



* SRV + Subcontractors

The observation reporting rate at SRV in January–March was 2,379 observations / million hours worked (target: 2,200). A total of 11,984 observations were received. SRV uses TR and MVR measurements as means of assessing occupational safety on a weekly basis. At the end of Q1 2023, the combined result of the Group's 12-month rolling TR and MVR measurements was 96.6 per cent. The company continuously monitors the accuracy of the measurement results by comparing them with calibration measurements made by SRV's Safety Team.

Good Governance

SRV has continued its goal-directed efforts to promote responsible procurements. All approved SRV suppliers must answer ESG questions, on the basis of which they receive a sustainability rating. The company seeks to even more effectively prevent labour exploitation and activities that violate the Code of Conduct. For this reason, during the review period, SRV introduced an additional clarification process that enables it to ensure more thoroughly the right to work and appropriate terms of employment of its subcontractors' foreign labour.

In March, SRV held an Anti-Grey Economy Day at its construction sites with the aim of checking that contractors and their subcontractors meet the requirements to work on the company's sites.

BUSINESS REVIEW

The SRV Group's Corporate Executive Team is the chief operating decision-maker of the Group as defined in IFRS 8 Operating Segments. The Corporate Executive Team reviews business as a single operating segment. The new segment structure was adopted as from 1 January 2023.

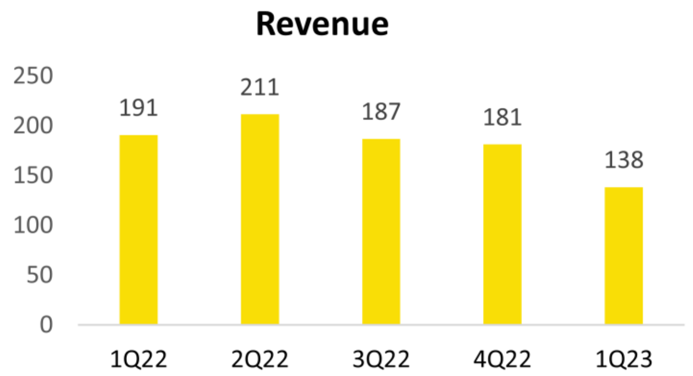
January–March 2023

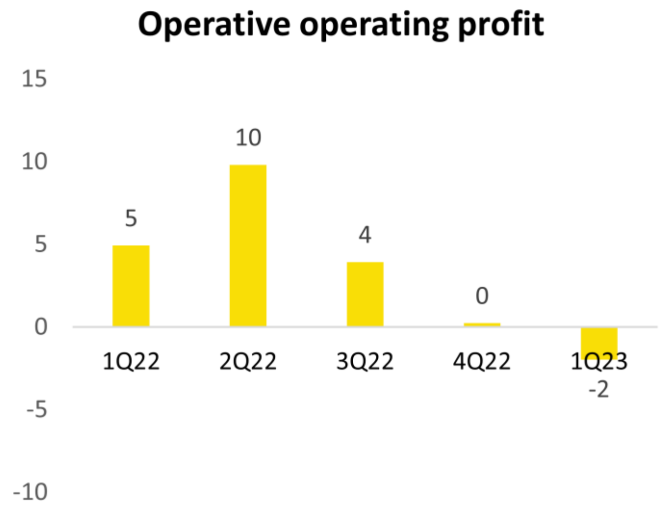
The Group's **revenue** declined by EUR 52.4 million to EUR 138.3 million (190.7 1-3/2022). Revenue from business construction grew by EUR 15.2 million and revenue from housing construction was down EUR 52.5 million. The comparison figure for revenue includes the effect of the dissolution of construction profit margin eliminations amounting to EUR 14.5 million.

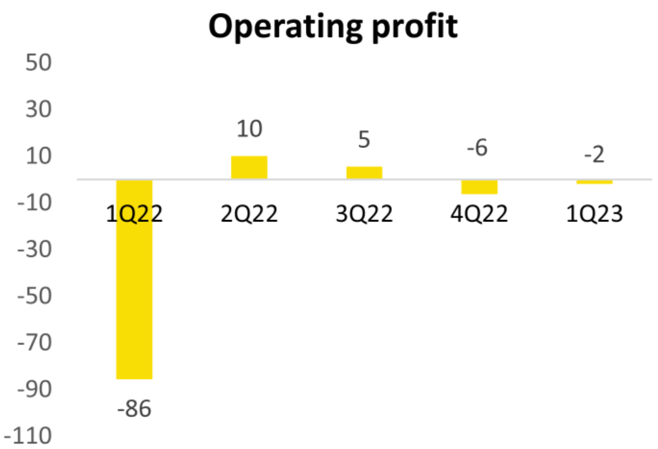
The Group's **operative operating profit** decreased and amounted to EUR -2.0 (4.9) million. The reason behind the weakening of the operative operating profit was the decrease in the recognised margin in the construction of both housing and business premises. The margin declined in housing construction due to the lower volume. In business construction, the decline in the margin was impacted by the fact that a greater share of revenue was recognised from lower-margin contracting.

The Group's **operating profit** was EUR -2.0 (-85.7) million. The comparison figure for operating profit was impacted by, for instance, substantial write-downs of assets in Russia and the Fennovoima holding, the dissolution of profit margin eliminations and changes in the exchange rate of the rouble, which had a total impact of EUR -90.6 million.

The Group's **profit before taxes** totalled EUR -4.4 (- 128.5) million. Financial income and expenses largely consist of EUR -1.0 (-2.7) million in rouble exchange rate losses with no cash flow impact and EUR -1.4 (-1.1) million in interest expenses from IFRS







16 leases. The comparison figure was impacted by the aforementioned write-downs of Russian assets, EUR -90.6 million, and write-downs of shareholder loans used to finance Russian associated companies, EUR -41.7 million.

The Group's **earnings per share** were EUR -0.2 (-14.3). The comparison figure has been adjusted for the effect of the share issue and reverse share split in 2022.

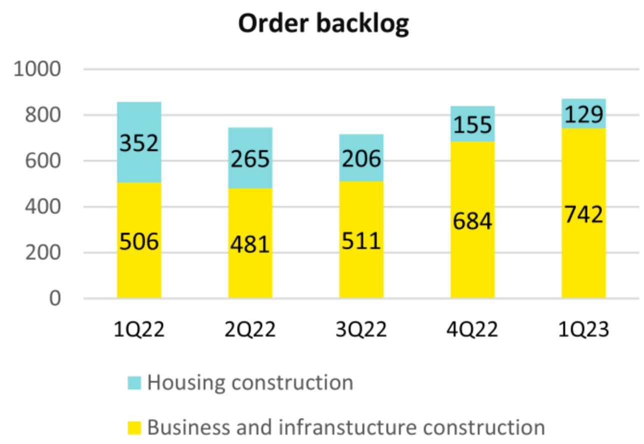
Cash flow from operating activities was EUR -16.0 (-25.4) million and **cash flow from investment activities** was EUR -0.8 (-0.3) million. The negative result for the review period and the rise in net working capital due to the lower volume impacted on cash flow from operating activities.

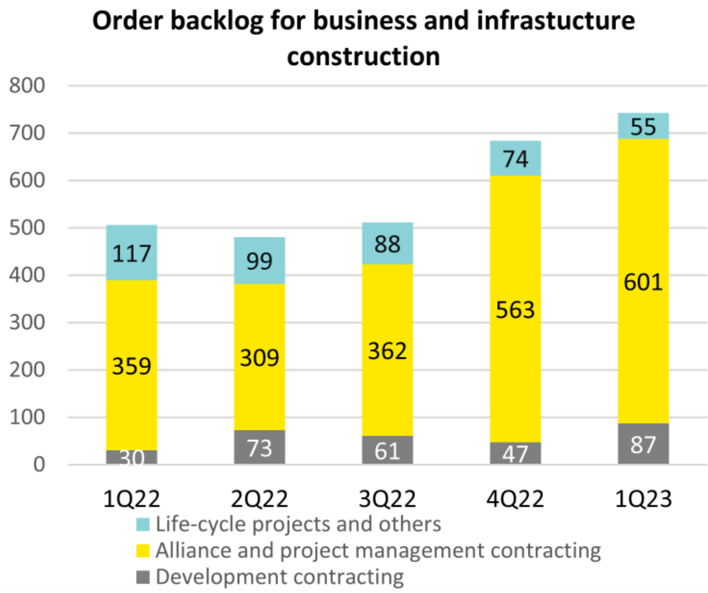
At period-end, the Group's **order backlog** stood at EUR 871.0 (858.0) million. New agreements valued at EUR 149.9 (130.1) million were signed in January–March. The most significant new projects were the Okmetic factory building in Vantaa, the Horisontti office skyscraper in Kalasatama, Helsinki, and the multipurpose Sammontalo Building in Lappeenranta.

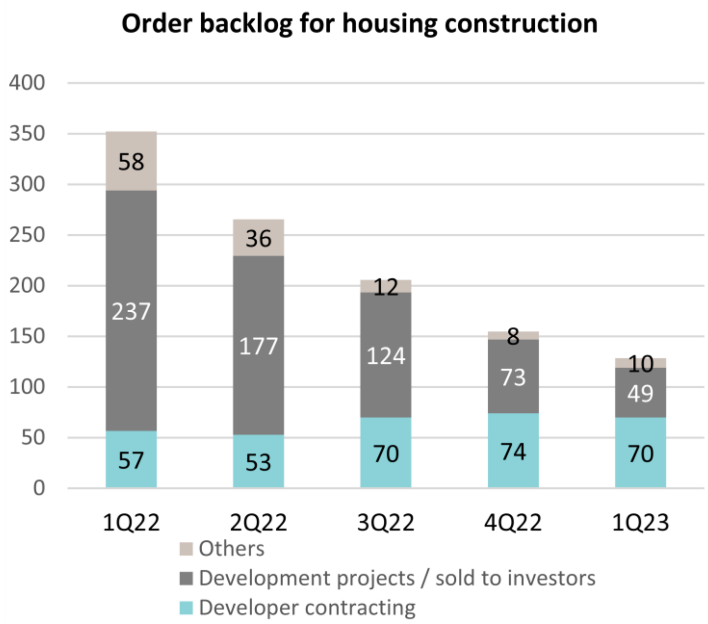
The sold share of the order backlog was 91.0 (91.9) per cent. In addition, SRV has announced won projects valued at about EUR 1.1 billion that have not yet been entered into the order backlog. These include the Laakso Joint Hospital in Helsinki, the extension of the National Museum of Finland in Helsinki, the renovation and extension of the Tapiola swimming hall in Espoo, a building for the National Repository Library in Kuopio, and housing projects for Kojamo. Most of the revenue from projects is generated by contracts carried out under low-risk project management or alliance models.

BUSINESS AND INFRASTRUCTURE CONSTRUCTION

In accordance with SRV's strategy, the company's business construction mainly consists of project management contracts and alliance projects for external clients, lifecycle projects, and SRV's own development projects. In addition to the basic profit margin, alliance projects offer the potential for extra earnings if the targets set for the project are achieved. Project management contracts are based either on a







target price and guaranteed maximum price or a target budget. Like alliance projects, they offer the potential for extra earnings. In lifecycle projects, SRV is responsible for both the construction of the building and, for a separate service charge, also the property's maintenance for an agreed service period. A business development project is a project that is developed by SRV, but which is sold to an investor before construction begins. SRV bears the risks involved in both the construction and leasing of such projects.

January–March 2023

Revenue from business construction grew to EUR 113.9 (98.7) million and the order backlog rose to EUR 742.4 (505.9) million. Revenue grew in project management and alliance contracts and development projects thanks to the start-up of the Horisontti office tower in Kalasatama. The growth of the order backlog, which began in the third quarter of the previous year, continued during the review period.

Business and infrastructure projects under construction

The most significant business and infrastructure projects currently under construction include the Wintteri education and well-being centre in Uusikaupunki, a new ward building at Jorvi Hospital for HUS, demanding foundation engineering works in the Greater Helsinki Area and business premises for Senate Properties in Helsinki, Vantaa and Oulu.

Business and infrastructure projects under development

SRV's project development is developing a diverse range of business premises, such as offices, hotels, logistics centres and retail premises in Finland's strongest urban centres. Examples of major projects currently under development in the Greater Helsinki Area include Tower A (aka Pohjola Building) on Lapinmäentie, the Pressi office and logistics area in Vantaankoski, the metro centre in Kivenlahti, and Bunkkeri in Jätkäsaari. Bunkkeri is planned to be turned into a 13-storey landmark with versatile sports facilities, a swimming pool, and about 300 apartments.

Completed business and infrastructure projects

In January-March, SRV completed a multipurpose hall for Rauma Marine Constructions at Rauma shipyard, the basic renovation of Jorvi Hospital's operating theatres for HUS, the Terminal 2 expansion and alteration project at Helsinki Airport, a warehouse and logistics building in the Lieto district of Turku, and a new hydropower plant for Koskienergia Oy in Kuhankoski.

Land reserves, business construction 31 March 2023	
Building rights1), 1,000 m²	92
Land development agreements Building rights1), 1,000 m²	55

1) Building rights also include the estimated building rights/construction volume of unzoned land reserves and land areas covered by agreements in projects that are wholly or partly owned by SRV.

The largest ongoing business construction projects

Project name	Location	Project type	Completion level, %*	Completion (estimate)
DEVELOPMENT PROJECTS				
Wood City Office II	Helsinki	Office	23	Q2/2024

BUSINESS PREMISES				
HUS Jorvi, basic renovation of operating theatres	Espoo	Public	98	Q2/2023
T2 Alliance, phase 2	Vantaa	Public	98	Q2/2023
Matinkylä Upper Secondary School	Espoo	Public	59	Q4/2023
Wintteri Uusikaupunki	Uusikaupunki	Retail	30	Q1/2025
Horisontti	Helsinki	Office	23	Q2/2025
Oulu Central Police Station and Prison	Oulu	Public	9	Q4/2025
Vantaa Main Police Station and Prison	Vantaa	Public	7	Q3/2024
HUS Jorvi, new ward building	Espoo	Public	4	Q4/2025
Okmetic	Vantaa	Retail	1	Q4/2024
Sammontalo	Lappeenranta	Public	1	Q2/2025

* Situation at 31 March 2023

HOUSING CONSTRUCTION

In accordance with SRV's strategy, the company's housing construction mainly consists of residential development projects and developer-contracted housing projects in Finland's strongest growth centres, and particularly in the Helsinki Metropolitan Area. In addition, SRV selectively carries out housing construction projects for external clients. A developer-contracted residential project is a project that is developed by SRV and which has not been sold when construction begins. SRV bears the risks involved in both the sale and construction of such projects, which are recognised as income when the project has been completed and as the units are sold. A residential development project is a project that is developed by SRV, but which is sold to an investor before construction begins. SRV bears the construction risks in such projects, which are recognised as income according to the percentage of completion. Construction contracts are construction projects that are launched by other parties but implemented by SRV. They are recognised as income on the basis of the percentage of completion or as set out in the agreement.

January–March 2023

Revenue from housing construction declined to EUR 24.0 (76.5) million. Revenue declined due to the decrease in the volume of housing development projects. The number of developer-contracted residential units recognised as income during the review period was 1 (4). The order backlog for housing construction stood at EUR 128.5 (352.1) million. No new housing projects were started up during the review period.

Housing under construction

At the end of March, SRV had a total of 912 (2,397) residential units under construction in Finland, mostly in growth centres. There were 62 (210) developer-contracted residential units under construction.

At the end of March, a total of 817 (1,960) units were under construction for investors in Helsinki and Vantaa. A total of 33 (227) residential units were under construction as negotiated contracts.

Completed and sold residential units, developer contracting

In January-March, 23 residential units were completed in Aviapolis, Vantaa; they were recognised in unsold completed residential units when investor sales were cancelled after extensive negotiations. At the end of March, a total of 44 (5) completed units remained unsold. The number of developer-contracted residential units sold during January–March was 1 (11).

Residential units recognised as income

In January–March, 1 (4) developer-contracted residential unit and 54 parking spots were recognised as income, generating total revenue of EUR 2.0 (1.4) million.

Developer-contracted residential units are only recognised as income on completion, and only to the extent that they have been sold, after an average construction period of about 18 months.

Land reserves, housing construction, 31 March 2023	
Building rights[1)], 1,000 m²	67
Land development agreements	
Building rights[1)], 1,000 m²	187

1) Building rights also include the estimated building rights/construction volume of unzoned land reserves and land areas covered by agreements in projects that are wholly or partly owned by SRV.

Housing construction projects under development

SRV focuses on residential project development in urban growth centres. SRV is currently developing housing construction projects in areas such as Kivenlahti, Espoonlahti, Kaitaa, Vermonniitty, Säterinkallio and Keilaniemi in Espoo and Lapinmäentie and Jätkäsaari in Helsinki.

Housing construction, Group units	**1-3/ 2023**	**1-3/ 2022**	**change, units**	**1-12/ 2022**
Housing sales	**1**	251	-250	272
developer contracting	**1**	11	-10	32
sold to investors	**0**	240	-240	240
Developer contracting				
start-ups	**0**	0	0	85
completed	**23**	0	23	210
recognised as income	**1**	4	-3	196
completed and unsold	**45**	5	40	23
Under construction	**912**	2 397	-1 485	1 360
contracts	**0**	0	0	0
negotiated contracts	**33**	227	-194	105
sold to investors	**817**	1 960	-1 143	1 170
developer contracting	**62**	210	-148	85
sold	2	173	-171	2
unsold	60	37	23	83
sold, %	3,2	82		2
unsold, %	96,8	18		98

Order backlog, housing construction (EUR million)	**1-3/ 2023**	**1-3/ 2022**	**change, EUR million**	**change, %**
Contracts and negotiated contracts	**49,5**	253,5	-204,0	-80,5 %
Under construction, sold	**0,8**	40,4	-39,6	-98,1 %
Under construction, sold	**69,7**	56,7	13,0	23,0 %
Completed and unsold developer contracting	**8,6**	1,5	7,0	466,5 %
Housing construction, total	**128,5**	352,1	-223,6	-63,5 %

Largest developer-contracted housing projects under construction

Project name	Location	Completion (estimate)	Units	Sold	For sale
Kokardi	Helsinki	Q4/2024	62	2	60

Largest ongoing housing projects, investor projects and housing contracting

Project name	Location	Developer	Completion level, %*	Completion (estimate)
Höyrypilli & Vihellys	Helsinki	Kojamo	70	Q3/2023
Pohjantytär	Helsinki	DWS	79	Q4/2023
Ainonkannel	Helsinki	Kojamo	80	Q3/2023
Vision	Helsinki	Patrizia	70	Q1/2024
Haltiantien Pekko	Vantaa	Suomen Asuntoneuvoja	62	Q3/2023

* Situation at 31 March 2023

RUSSIAN BUSINESS OPERATIONS AND OTHER HOLDINGS

In April 2022, SRV wrote down the balance sheet values of practically all of its shopping centres and other holdings in Russia and its holding in Fennovoima. In November 2022, SRV and its Finnish co-investors sold their holdings in Jupiter Realty 1 B.V., the company that owns the Okhta Mall shopping centre in St Petersburg, to the Cyprus-based property investor Geomare Investments Limited. After this divestment, SRV is a co-investor in two Russian shopping centre projects – Pearl Plaza and 4Daily – through its associated companies. In addition, SRV owns one plot in Russia. SRV is actively continuing to engage in negotiations aiming at the sale of its remaining Russian assets.

SRV owns 5 per cent of Tampere Arena and has an 8.33 per cent holding in other Tampere Central Deck and Arena projects.

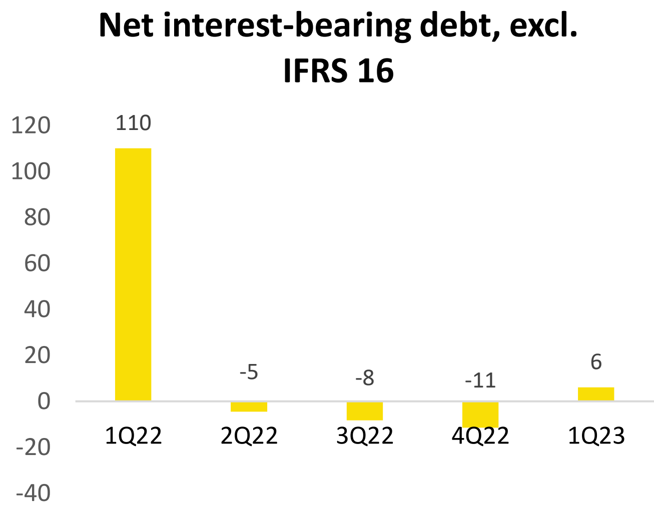
FINANCING AND FINANCIAL POSITION

Financial income and expenses amounted to EUR -2.5 (-42.8) million. Net financial expenses included EUR 0.4 (0.7) million in dividend and interest income, exchange rate differences amounting to EUR -1.0 (-1.2) million arising from the conversion of subsidiary and associated company loans, which did not have an impact on cash flow, interest paid on derivatives and fair value changes amounting to EUR -0.1 (3.1) million, and interest expenses of EUR -0.2 (-2.1) million, of which EUR 0.2 (0.3) million was capitalised as of the beginning of the year. In addition, financial expenses included EUR -1.4 (-1.1) million in interest on lease agreement debts under IFRS 16 and EUR -0.4 (-0.8) million in other financial expenses.

SRV's **equity ratio** was 35.0 (6.4) and **gearing** was 82.2 (784.4) per cent. Excluding the impact of IFRS 16, the equity ratio was 49.2 (9.7) per cent and gearing was 4.1 (343.2) per cent.

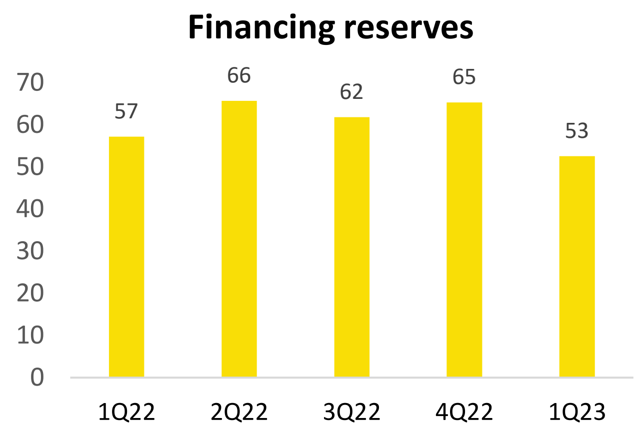
Capital employed stood at EUR 292.9 (261.4) million and the **return on investment** was -3.6 (-103.9) at the end of the review period. Excluding the impact of IFRS 16, capital employed amounted to EUR 188.3 (179.4) million.

Net interest-bearing debt totalled EUR 117.4 (197.7) million at the end of the review period. Net interest-bearing debt saw a year-on-year decrease of EUR 80.3 million. Excluding the impact of IFRS 16, net interest-bearing debt totalled EUR 6.1 (110.1) million, representing a decrease of EUR 104.0 million on the comparison period. Housing corporation loans accounted for EUR 12.3 (21.2) million of the interest-bearing debt.



At the end of the review period, EUR 10 million of the company's EUR 30 million **committed revolving credit facility** was withdrawn and EUR 20 million was unused. EUR 35.8 million of the company's EUR 40.0 million committed project financing facility was unused at the end of the review period. In addition, the company's EUR 63.0 million non-committed project financing facility was entirely unused at the end of the review period. The revolving credit facility and project financing facility mature in April 2024.

At the end of the period, the Group's **financing reserves** totalled EUR 52.6 (57.2) million, consisting of the unused revolving credit facility (EUR 20.0 million) and cash and cash equivalents (EUR 32.6 million). Financing reserves were affected by EUR -16.8 (-25.8) million in cash flow from operating activities and investments as well as EUR 4.2 (-4.5) million in cash flow from financing activities.



The financial **covenants** of SRV's financing agreements are equity ratio, gearing, minimum operating margin, minimum cash, and certain other restrictions. The covenant levels of these financing agreements are determined on the basis of the accounting principles in force when the loan agreements were signed. Recognition of income on the basis of percentage of completion in developer contracting projects and the inclusion of capital loans into equity are taken into consideration in the calculation of the equity ratio covenant. The loan agreements also contain some other deviations from traditional covenant calculation methods. The main covenants of the financing agreements are presented in note 11 to the interim report.

On 26 April, after the end of the review period, the company agreed with the syndicate banks on the replacement of the current EUR 30 million committed revolving credit facility, EUR 40 million committed project financing facility and EUR 63 million non-committed project financing facility with a EUR 40 million committed revolving credit facility. The current EUR 40 million committed project financing facility and EUR 63 million non-committed project financing facility are being discontinued, and going forward project financing will be negotiated bilaterally with banks in accordance with normal market practices. The covenants of the agreement are equity ratio, gearing, minimum operating margin, minimum liquidity, and certain other restrictions. The interest margin of the new revolving credit facility is tied to three of SRV's key sustainability objectives: carbon dioxide emissions from the operations of the company and its partner network and the accident frequency rate (LTIF). The new committed revolving credit facility is valid until April 2025 and includes a one-year extension option.

SRV's **investment commitments** totalled EUR 19.6 (19.7) million at the end of the review period, and consisted of investments in Fennovoima and the Tampere Central Deck and Arena project. SRV is exposed to changes in the exchange rate of the rouble through its Russian subsidiaries, associated companies and joint ventures. As a result of write-downs of Russian holdings in 2022, the currency risk position has decreased considerably. Translation differences of EUR 0.1 (-3.8) million impacted both shareholders' equity and the comprehensive result for the period. Translation differences recognised in equity totalled EUR -14.8 (-21.9) million.

SHORT-TERM RISKS AND UNCERTAINTIES

SRV's most significant short-term risks and uncertainties are related to the upward trend in interest rates that continued after the end of 2022 and thus to the demand of investor and consumer customers and the availability of their financing. This may have an impact on the delay or cancellation of planned projects.

The company's risks and risk management are described in the 2022 Notes to the Financial Statements and Annual Review, which were published on 1 March 2023 on the company's website: www.srv.fi/en/investors/releases-and-publications/annual-reviews-financial-statements/.

SRV has also published a Corporate Governance Statement, which includes a description of the main features of the company's risk management systems, as a separate report from the Annual Review. This statement was published on 1 March 2023 and is available on the company's website at: www.srv.fi/en/investors/cg/.

CHANGES IN THE CORPORATE EXECUTIVE TEAM

Construction engineer Hannu Lokka (age 59) assumed his position as SRV's Executive Vice President, Strategic Project Development and a member of the Corporate Executive Team as of 16 January 2023 when his predecessor Timo Nieminen retired.

ANNUAL GENERAL MEETING

Annual General Meeting

SRV's Annual General Meeting (AGM) was held on 27 March 2023. SRV published stock exchange releases on the decisions of the Annual General Meeting and the organisation of the Board of Directors on 27 March 2023. The stock exchange releases, presentations of the members of the Board of Directors and the minutes and decisions of the Annual General Meeting, including details, are available on the company's Internet site at www.srv.fi/en/investors.

Board authorisations

- The Annual General Meeting on 27 March 2023 authorised the Board of Directors to decide on the buyback of a maximum of 1,700,000 of the company's own shares. The authorisation is valid until 30 June 2024.
- The Annual General Meeting on 27 March 2023 authorised the Board of Directors to decide on the issue of a maximum of 1,700,000 new shares or the reissue of treasury shares and/or the issue of special rights entitling to shares as referred to in Chapter 10, Section 1 of the Limited Liability Companies Act. The authorisation is valid until 30 June 2024.

INCENTIVE PLANS

At the end of the review period, SRV had two long-term incentive plans for key personnel of the Group:

- **Performance Share Plan 2023** (President & CEO, Corporate Executive Team and other key employees)

- **Cash-based reward plan** (key employees excl. President & CEO)

Descriptions of the incentive plans are provided in a stock exchange release published on 28 March 2023: https://www.srv.fi/en/releases/the-board-of-directors-of-srv-group-plc-decided-on-new-incentive-plans-for-the-groups-key-employees/.

SHARES AND SHAREHOLDERS

SRV Group Plc's share capital is EUR 3.1 million. The share has no nominal value and the number of shares outstanding is 16,982,343. The company has one class of shares.

The closing price at Nasdaq Helsinki on 31 March 2023 was EUR 3.73 (share-issue adjusted closing price: EUR 11.4 on 31 March 2022). The highest share price during the reporting period was EUR 4.69 and the lowest EUR 3.30. On 31 March 2023, SRV had a market capitalisation of EUR 63.2 million (107.0 31 Mar. 2022), excluding the Group's treasury shares. 0.7 million shares were traded during the review period with a trade volume of EUR 2.9 million.

At the end of March 2023, the Group held 44,533 treasury shares (0.3 per cent of the total number of shares and combined number of votes).

At the end of March, SRV had 10,829 registered shareholders (10,924 on 31 March 2022).

Espoo, 27 April 2023

Board of Directors

All forward-looking statements in this review are based on management's current expectations and beliefs about future events. The company's actual results and financial position may differ materially from the expectations and beliefs such statements contain due to a number of factors that have been presented in this interim report.

About this interim report

This interim report has been prepared in accordance with IAS 34, and the disclosed information is unaudited. The figures in parentheses are the comparison figures for 2022.

Briefing, webcast and presentation materials

A briefing for analysts, investors and media representatives will be held on 27 April 2023, starting at 11:00 EEST as a webcast. The webcast can be followed live at www.srv.fi/en/investors. The recording will be available on the website after the presentation. The materials will also be made available on the website.

Next interim report

SRV Group Plc will publish its half-year report for 2023 on 20 July 2023. During the silent period (19 June–20 July), the company will *not comment on anything relating to market outlooks, business or earnings trends.*

For further information, please contact:

Saku Sipola, President & CEO, tel. +358 (0)40 551 5953, saku.sipola@srv.fi
Jarkko Rantala, CFO, tel. +358 (0)40 674 1949, jarkko.rantala@srv.fi
Miia Eloranta, Senior Vice President, Communications and Marketing, tel. +358 (0)50 441 4221, miia.eloranta@srv.fi

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Key figures EUR million	**1-3/ 2023**	**1-3/ 2022**	**1-12/ 2022**	**Last 12 Months**
Revenue	**138.3**	190.7	770.1	717.7
Operative operating profit [1)]	**-2.0**	4.9	18.9	12.0
Operative operating profit, % revenue [1)]	**-1.4**	2.6	2.5	
Operating profit	**-2.0**	-85.7	-76.4	7.3
Operating profit, % revenue	**-1.4**	-44.9	-9.9	
Operating profit, excl. IFRS16[2)]	**-3.0**	-86.4	-79.6	3.9
Operating profit, % revenue excl. IFRS16[2)]	**-2.2**	-45.3	-10.3	
Profit before taxes	**-4.4**	-128.5	-79.1	45.0
Profit before taxes, % of revenue	**-3.2**	-67.4	-10.3	
Net profit attributable to equity holders of the parent company	**-3.1**	-133.3	-85.7	44.5
Return on equity, %	**-8.7**	-557.0	-55.1	
Return on investment, % 4)	**-3.6**	-103.9	-10.1	
Return on investment % excl. IFRS16[2) 4)]	**-7.7**	-141.6	-14.9	
Capital employed	**292.9**	261.4	272.0	
Capital employed excl. IFRS16 [2)]	**188.3**	179.4	186.4	
Equity ratio %	**35.0**	6.4	36.3	
Equity ratio excl. IFRS16, % [2)]	**49.2**	9.7	48.2	
Net interest-bearing debt	**117.4**	197.7	80.5	
Net interest-bearing debt excl. IFRS16[2)]	**6.1**	110.1	-11.5	
Net gearing ratio, %	**82.2**	748.4	55.1	
Net gearing ratio excl. IFRS16, %[2)]	**4.1**	343.2	-7.5	
Order backlog [3)]	**871.0**	858.0	838.8	
New agreements	**149.9**	130.1	624.6	
Personnel on average	**810**	940	948	
Earnings per share [5)]	**-0.2**	-14.3	-6.6	7.4
Earnings per share (diluted) [5)]	**-0.2**	-14.3	-6.6	7.4
Equity per share	**8.4**	1.2	8.6	
Equity per share (without hybrid bond), euros	**6.5**	1.2	6.7	
Dividend per share, euros [5)]	**0.0**	0.0	0.0	
Dividend payout ratio, %	**0.0**	0.0	0.0	
Dividend yield, % [4)]	**0.0**	0.0	0.0	
Price per earnings ratio	**neg.**	neg.	neg.	
Share price development [5)]				
Share price at the end of the period, eur	**3.73**	11.40	3.80	
Average share price, eur	**3.95**	13.15	9.17	
Lowest share price, eur	**3.30**	10.90	3.19	
Highest share price, eur	**4.69**	16.10	16.12	
Market capitalisation at the end of the period	**63.2**	106.7	64.4	
Trading volume, 1 000 units	**727**	9 151	25 033	
Trading volume, %	**4.3**	3.5	189.2	

Weighted average number of shares outstanding during the period, 1 000 units 5)	**16 938**	9 386	13 231
Weighted average number of shares outstanding during the period (diluted) 1 000 units 5)	**16 938**	9 386	13 231
Number of shares outstanding at the end of the period,1 000 units 5)	**16 938**	9 358	16 938

1) The reconciliation calculation for operative operating profit can be found underneath this table

2) The effects of IFRS16 have been adjusted from the figure.

3) The Group's order backlog consists of the Construction business.

4) In calculation of the key ratios, only the profit for the review period has been annualised.

5) SRV executed reverse share split on 4 July 2022 to the effect that each forty shares of the company was merged into one share. Share-specific figures of 1-3/2022 have been adjusted accordingly.

Alternative performance measures used in interim reporting

The company discloses certain other widely used performance measures that can for the most part be derived from the income statement and balance sheet. The company also publishes key figures excluding effect of IFRS 16. The formulas for these performance measures are provided in the next page. In the company's view, these measures clarify the result of operations and financial position based on the income statement and balance sheet.

SRV presents key figures for operative operating profit and operating profit margin in the interim report

The key figure for operative operating profit is considered to provide a better view of the Group's operations when comparing the reported period to earlier periods. The currency exchange rate gains and losses of associated companies as well as income and expenses from hedging and items affecting comparability are eliminated from operating profit. The currency exchange rate gains and losses of associated companies are included above operating profit on the line "share of profits of associated and joint venture companies". Income and expenses from currency hedging are included above operating profit on the line "Income and expenses on currency derivatives".

Operative operating profit's reconciliation table

SRV Group (EUR million)	**1-3/ 2023**	**1-3/ 2022**	**1-12/ 2022**
Operative operating profit in accordance with the new definition	**-2.0**	4.9	18.9
+/- exhange rate gains and losses of associated companies and joint ventures and	**0.0**	-2.7	7.3
+/- Items affecting comparability			
+/- Impairments of assets and their reversal	**0.0**	-87.9	-108.9
+/- gains and losses from exceptional sales of assets	**0.0**	0.0	6.3
+/- income and expenses due to changes in the Group structure	**0.0**	0.0	0.0
+/- Items affecting comparability in total	**0.0**	-87.9	-102.5
Operating profit	**-2.0**	-85.7	-76.4

SRV presents key figures excluding effect of IFRS 16 standard

The company publishes alternative key figures, that is, IFRS 16 key figures that have been adjusted to exclude the impact of the IFRS 16 Leases standard on the balance sheet and result.

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Calculation of key figures

Return on equity, %	= 100 x Net profit for the period / Total equity, average
Capital employed	= Total assets – non-interest bearing debt – deferred tax liabilities – provisions
Capital employed, excl. IFRS16	= Total assets – non-interest bearing debt – deferred tax liabilities – provisions – property, plant and equipment, right -of-use asset – inventories, right -of-use asset
Return on investment, %	= 100 x Operating profit + interest and other financial income (incl. exchange rate gains and losses) + Financial receivables write-down and sales loss (interim periods annualized) / Invested capital, average
Return on investment, % excl. IFRS16	= 100 x Operating profit excl. IFRS16 bookings + interest and other financial income (incl. exchange rate gains and losses) + Financial receivables write-down and sales loss (interim periods annualized) / Capital employed excl. IFRS16, average
Equity ratio, %	= 100 x Total equity / Total assets – advances received
Equity ratio,% excl. IFRS16	= 100 x Total equity – IFRS16 depreciations, leases and interest and financial expenses recoqnised in income statement / Total assets – advances received – IFRS16 depreciations, leases and interest and financial expenses recoqnised in income statement
Net interest-bearing debt	= Interest-bearing debt – cash and cash equivalents
Net interest-bearing debt excl. IFRS16	= Interest-bearing debt - interest-bearing lease liabilities – cash and cash equivalents
Net gearing ratio, %	= 100 x Net interest-bearing debt / Total equity
Net gearing ratio,% excl. IFRS16	= 100 x Interest-bearing debt - interest-bearing lease liabilities – cash and cash equivalents / Total equity – IFRS16 depreciations, leases, interest and financial expenses recoqnized in income statement
Earnings per share attributable to equity holders of the parent company	= Result for the period – non-controlling interest – hybrid bond interest, tax adjusted / Average number of shares
Earnings per share attributable to equity holders of the parent company (diluted)	= Result for the period – non-controlling interest – hybrid bond interest, tax adjusted / Average number of shares (diluted)
Equity per share	= Shareholders' equity attributable to equity holders of the parent company / Average number of shares at end of period Earnings per share
Equity per share (without hybrid bond)	= Shareholders' equity attributable to equity holders of the parent company – hybrid bond / Average number of shares at end of period
Price per earnings ratio (P/E-ratio)	= Share price at end of period / Earnings per share
Dividend payout ratio, %	= 100 x Dividend per share / Earnings per share
Dividend yield, %	= 100 x Dividend per share / Share price at end of period
Average share price	= Number of shares traded in euros during the period / Number of shares traded during the period
Market capitalisation at the end of the period	= Number of shares outstanding at the end of the period x share price at the end of the period
Trading volume	= Number of shares traded during the period and their percentage of the weighted average number of shares outstanding
Operative operating profit	= Operating profit +/- currency exchange rate gains and losses +/- income and expenses from hedging +/- items affecting comparability

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Group information by quarter

SRV Group EUR million	**1-3/ 2023**	**10-12/ 2022**	**7-9/ 2022**	**4-6/ 2022**	**1-3/ 2022**
Revenue	**138.3**	181.2	186.8	211.4	190.7
Operative operating profit	**-2.0**	0.2	3.9	9.8	4.9
Operative operating profit %	**-1.4**	0.1	2.1	4.6	2.6
Operating profit	**-2.0**	-6.3	5.5	10.1	-85.7
Operating profit %	**-1.4**	-3.5	2.9	4.8	-44.9
Financial income and expenses, total	**-2.5**	-3.8	0.3	43.6	-42.8
Profit before taxes	**-4.4**	-10.0	5.8	53.7	-128.5
Order backlog	**871.0**	838.8	717.1	745.9	858.0
New agreements	**149.9**	287.2	135.0	72.3	130.1
Earnings per share, eur [2)]	**-0.23**	-0.82	0.39	5.36	-14.25
Equity per share, eur [2)]	**6.46**	6.65	6.62	6.31	1.18
Share closing price, eur	**3.7**	3.8	3.5	5.2	11.4
Equity ratio, %	**35.0**	36.3	36.3	33.3	6.4
Equity ratio, % excl. IFRS16 [1)]	**49.2**	48.2	48.6	43.9	9.7
Net interest-bearing liabilities	**117.4**	80.5	86.4	90.1	197.7
Net interest-bearing liabilities excl. IFRS16 [2)]	**6.1**	-11.5	-8.2	-4.6	110.1
Net gearing, %	**82.2**	55.1	59.3	64.2	748.4
Net gearing, % excl. IFRS16 [1)]	**4.1**	-7.5	-5.4	-3.1	343.2

[1)] The effects of IFRS16 have been adjusted from the figure.

[2)] Figures are share issue and reverse share split adjusted.

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Order backlog EUR million	**3/2023**	**12/2022**	**9/2022**	**6/2022**	**3/2022**
- business construction	**742.4**	684.0	511.5	480.6	505.9
- housing construction	**128.5**	154.7	205.6	265.3	352.1
Group, total [1)]	**871.0**	838.8	717.1	745.9	858.0
sold order backlog	792.7	747.8	629.7	679.4	788.1
unsold order backlog	78.3	91.0	87.4	66.5	69.9

[1)]Group's order backlog consists only of construction segment.

Order backlog, housing construction in Group

EUR million	**3/2023**	**12/2022**	**9/2022**	**6/2022**	**3/2022**
Negotiation and construction contracts	**49**	75	129	186	254
Under construction, sold	**1**	1	1	24	40
Under construction, unsold	**70**	74	70	53	57
Completed and unsold	**9**	5	6	2	2
Housing construction, total	**129**	155	206	265	352

Housing production in Group (units)	**1-3/ 2023**	**10-12/ 2022**	**7-9/ 2022**	**4-6/ 2022**	**1-3/ 2022**
Housing sales, total	**1**	3	6	12	251
sales, developer contracting	1	3	6	12	11
sales, negotiation contracts	0	0	0	0	240
Developer contracting					
- start-ups	**0**	23	62	0	0
- completed	**23**	0	142	68	0
-recognized in revenue	**1**	3	124	65	4
- completed and unsold	**45**	23	26	8	5
Under construction, total	**912**	1 360	1 646	2 118	2 397
construction contracts	0	0	0	0	0
negotiation contracts	33	105	105	162	227
negotiated contracts	817	1 170	1 479	1 814	1 960
developer contracting	62	85	62	142	210
- of which sold	2	2	2	120	173
- of which unsold	60	83	60	22	37

Q1

27 April 2023 at 8:30 am

SRV GROUP PLC THE INTERIM REPORT, 1 JANUARY–31 March 2023: TABLES

1) Consolidated income statement and statement of comprehensive income

Consolidated income statement EUR million	**Note**	**1-3/ 2023**	**1-3/ 2022**	**change MEUR**	**change %**	**1-12/ 2022**	**Last 12 Months**
Revenue	8	**138.3**	190.7	-52.4	-27.5	770.1	717.7
Other operating income		**0.1**	0.2	-0.1	-51.5	0.6	0.5
Change in inventories of finished goods and work in progress		**-7.7**	-62.8	55.2	-87.8	-88.4	-33.3
Use of materials and services		**-111.2**	-130.8	19.6	-15.0	-600.6	-581.0
Employee benefit expenses		**-17.2**	-18.2	1.0	-5.4	-74.3	-73.4
Share of profits of associated and joint venture companies		**-0.5**	-2.8	2.3		-1.3	1.1
Depreciation		**-1.4**	-1.3	-0.1	7.7	-5.1	-5.2
Impairments of investments		**0.5**	-57.7	58.2	0.0	-65.0	-6.9
Other operating expenses		**-2.9**	-2.9	0.1	-2.3	-12.3	-12.2
Operating profit		**-2.0**	-85.7	83.7		-76.4	7.3
Financial income	13	**0.4**	0.6	-0.2	-34.2	52.7	52.5
Financial expenses		**-2.9**	-1.7	-1.2	74.2	-55.4	-56.7
Impairments of financial assets		**0.0**	-41.7	41.7		-41.7	0.0
Financial income and expenses, total		**-2.5**	-42.8	40.4	-94.2	-2.7	37.7
Profit before taxes		**-4.4**	-128.5	124.0		-79.1	45.0
Income taxes		**1.3**	-4.8	6.1		-6.6	-0.5
Net profit for the period		**-3.1**	-133.3	130.2		-85.7	44.5
Attributable to							
Equity holders of the parent company		**-3.1**	-133.3			-85.7	44.5
Non-Controlling interests		**0.0**	0.0			0.0	0.0
Earnings per share attributable to equity holders of the parent company [1)]		**-0.2**	-14.3			-6.6	7.4
Earnings per share attributable to equity holders of the parent company (diluted) [1)]		**-0.2**	-14.3			-6.6	7.4

[1)] SRV executed reverse share split on 4 July 2022 to the effect that each forty shares of the company was merged into one share. Share-specific figures have been adjuted accordingly. Figures are share issue adjusted.

Consolidated statement of comprehensive income EUR million	**1-3/ 2023**	**1-3/ 2022**	**1-12/ 2022**	**Last 12 Months**
Net profit for the period	**-3.1**	-133.3	-85.7	44.5
Other comprehensive income				
Gains and losses arising from translating the financial statements of a foreign operation	**2.0**	-0.3	-1.1	-1.7
Share of other comprehensive income of associated and joint ventures companies	**-1.8**	-3.5	2.9	8.9
Other comprehensive income for the period, net of tax	**0.1**	-3.8	1.8	7.1
The share of comprehensive income attributable to equity holders of the parent company	**0.1**	-3.8	1.8	
Non-controlling interests in comprehensive income	**0.0**	0.0	0.0	
Total comprehensive income for the period	**-3.0**	-137.1	-83.9	51.6
Attributable to				
Equity holders of the parent company	**-3.0**	-137.1	-83.9	51.6
Non-Controlling interests	**0.0**	0.0	0.0	0.0

2) Consolidated balance sheet

Consolidated balance sheet EUR million	Note	31.3.2023	31.3.2022	change,%	31.12.2022
ASSETS					
Non-current assets					
Property, plant and equipment		**4.1**	3.5	18.7	4.1
Property, plant and equipment, right -of-use asset		**8.5**	9.4	-9.4	8.8
Goodwill		**1.7**	1.7	0.0	1.7
Other intangible assets		**0.7**	0.8	-15.7	0.7
Shares in associated companies and joint ventures		**2.3**	3.1	-26.6	2.1
Other financial assets		**7.2**	10.0	-27.7	7.8
Receivables		**11.3**	8.8	29.5	14.2
Deferred tax assets		**37.7**	37.7	0.0	37.5
Non-current assets, total		**73.6**	75.0	-1.8	77.0
Current assets					
Inventories	10	**155.7**	168.9	-7.8	162.8
Inventories, right -of-use asset	10	**94.3**	71.2	32.5	75.1
Trade and other receivables		**99.9**	136.0	-26.6	88.3
Cash and cash equivalents		**32.6**	37.2	-12.4	45.3
Current assets, total		**382.5**	413.3	-7.5	371.5
ASSETS, TOTAL		**456.1**	488.3	-6.6	448.5

Consolidated balance sheet EUR million		31.3.2023	31.3.2022	change,%	31.12.2022
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent company					
Share capital		**3.1**	3.1	0.0	3.1
Invested free equity fund		**303.6**	264.7	14.7	303.6
Translation differences		**-14.8**	-21.9	-32.5	-14.9
Hybrid bond		**33.5**	15.4	118.3	33.5
Retained earnings		**-182.5**	-234.7	-22.3	-179.0
Equity attributable to equity holders of the parent company, total		**142.9**	26.4	440.8	146.2
Non-controlling interests		**0.0**	0.0		0.0
Total equity	4	**142.9**	26.4	440.8	146.2
Non-current liabilities					
Deferred tax liabilities		**1.2**	1.0	20.4	1.1
Provisions		**11.2**	13.1	-14.6	12.2
Interest-bearing liabilities excl. lease liabilities		**28.7**	37.9	-24.3	23.8
Interest-bearing lease liabilities		**108.7**	85.3	27.4	89.5
Other liabilities		**5.7**	11.5	-50.0	6.3
Non-current liabilities, total		**155.5**	148.7	4.5	133.0
Current liabilities					
Trade and other payables		**138.1**	189.9	-27.3	148.0
Current tax payables (based on profit for the review period)		**0.0**	0.0	2.1	1.0
Provisions		**7.0**	11.5	-38.7	7.9
Interest-bearing liabilities excl. lease liabilities		**10.0**	109.4	-90.9	10.0
Interest-bearing lease liabilities		**2.6**	2.3	10.5	2.4
Current liabilities, total		**157.8**	313.2	-49.6	169.4
Liabilities, total		**313.2**	461.9	-32.2	302.3
EQUITY AND LIABILITIES, total		**456.1**	488.3	-6.6	448.5

3) Consolidated cash flow statement EUR million	**1-3/ 2023**	**1-3/ 2022**	**1-12/ 2022**	**Last 12 Months**
Cash flows from operating activities				
Cash receipts from customers	126.3	172.9	805.4	758.8
Cash receipts from other operating income	0.1	0.3	0.6	0.4
Cash paid to suppliers and employees	-140.2	-193.6	-802.5	-749.0
Net cash before interests and taxes	**-13.7**	**-20.5**	**3.5**	**10.2**
Interests received and other financial income	0.0	0.1	0.4	0.2
Interests paid and other expenses from financial costs	-2.2	-5.1	-13.7	-10.8
Income taxes paid or received	-0.1	-0.1	-0.3	-0.3
Cash flows from operating activities	**-16.0**	**-25.4**	**-10.1**	**-0.6**
Cash flow from investing activities				
Purchase of tangible and intangible assets	-0.7	-0.5	-2.5	-2.7
Sale of tangible and intangible assets	0.0	0.2	0.5	0.3
Purchase of investments	-0.2	0.0	-0.1	-0.3
Associated companies and joint ventures sold	0.0	0.0	4.2	4.2
Net cash used in investing activities	**-0.8**	**-0.3**	**2.1**	**1.6**
Cash flows from operating and investing activities in total	**-16.8**	**-25.8**	**-8.0**	**1.0**
Cash flow from financing activities				
Gross cash from share issue	0.0	0.0	34.8	34.8
Share issue costs	0.0	0.0	-2.7	-2.7
Proceeds from loans	0.0	0.0	1.0	1.0
Repayment of loans	0.0	-5.1	-31.7	-26.6
Hybrid bond costs	0.0	0.0	-0.7	-0.7
Hybrid bond intrests	0.0	-1.6	-2.0	-0.4
Change in housing corporation loans	4.9	3.3	-10.7	-9.1
Purchase of own shares	0.0	-0.5	-0.7	-0.2
Repayment of lease liabilities	-0.6	-0.6	-2.4	-2.5
Net cash flow from financing activities	**4.2**	**-4.5**	**-15.3**	**-6.6**
Net change in cash and cash equivalents	**-12.5**	**-30.2**	**-23.3**	**-5.6**
Cash and cash equivalents at the beginning of period	**45.3**	**68.0**	**68.0**	**37.2**
Effect of exchange rate changes in cash and cash equivalents	-0.2	-0.6	0.6	1.0
Cash and cash equivalents at the end of period	**32.6**	**37.2**	**45.3**	**32.6**

4) Statement of changes in Group equity

1 January- 31 March 2023 (EUR million)	Equity attributable to the equity holders of the parent company: Share Capital	Invested Free Equity Fund	Hybrid Bond	Translation differences	Fair value reserve	Reitained earnings	Total	Non-controlling interests	Total equity
Equity 1 January 2023	3.1	303.6	33.5	-14.9	0.0	-179.0	**146.2**	0.0	**146.2**
Net profit for the financial year	0.0	0.0	0.0	0.0	0.0	-3.1	**-3.1**	0.0	**-3.1**
Other comprehensive income items (with the tax effect)									
Translation difference	0.0	0.0	0.0	2.0	0.0	0.0	**2.0**	0.0	**2.0**
Share of other comprehensive income of associated and joint ventures companies	0.0	0.0	0.0	-1.8	0.0	0.0	**-1.8**	0.0	**-1.8**
Comprehensive income for the financial year	**0.0**	**0.0**	**0.0**	**0.1**	**0.0**	**-3.1**	**-3.0**	0.0	**-3.0**
Share-based incentive plan	0.0	0.0	0.0	0.0	0.0	-0.3	**-0.3**	0.0	**-0.3**
Hybrid bond interests	0.0	0.0	0.0	0.0	0.0	-0.3	**-0.3**	0.0	**-0.3**
Equity on 31 March 2023	**3.1**	**303.6**	**33.5**	**-14.8**	**0.0**	**-182.4**	**142.9**	**0.0**	**142.9**

1 January- 31 March 2022 (EUR million)	Equity attributable to the equity holders of the parent company: Share Capital	Invested Free Equity Fund	Hybrid Bond	Translation differences	Fair value reserve	Reitained earnings	Total	Non-controlling interests	Total equity
Equity 1 January 2022	3.1	264.7	15.4	-18.2	0.0	-99.9	**165.1**	0.0	**165.1**
Net profit for the financial year	0.0	0.0	0.0	0.0	0.0	-133.3	**-133.3**	0.0	**-133.3**
Other comprehensive income items (with the tax effect)									
Other comprehensive income total	0.0	0.0	0.0	-3.8	0.0	0.0	**-3.8**	0.0	**-3.8**
Comprehensive income for the financial year	**0.0**	**0.0**	**0.0**	**-3.8**	**0.0**	**-133.3**	**-137.1**	0.0	**-137.1**
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	-0.5	**-0.5**	0.0	**-0.5**
Share-based incentive plan	0.0	0.0	0.0	0.0	0.0	0.2	**0.2**	0.0	**0.2**
Hybrid bond interest	0.0	0.0	0.0	0.0	0.0	-1.3	**-1.3**	0.0	**-1.3**
Equity on 31 March 2022	**3.1**	**264.7**	**15.4**	**-21.9**	**0.0**	**-234.7**	**26.4**	**0.0**	**26.4**

1 January- 31 December 2022 (EUR million)	Equity attributable to the equity holders of the parent company: Share Capital	Invested Free Equity Fund	Hybrid Bond	Trans-lation diffe rences	Fair value reserve	Reitained earnings	**Total**	Non-cont-rolling interests	**Total equity**
Equity 1 January 2022	3.1	264.7	15.4	-18.2	0.0	-99.9	**165.1**	0.0	**165.1**
Net profit for the financial year	0.0	0.0	0.0	0.0	0.0	-85.7	**-85.7**	0.0	**-85.7**
Other comprehensive income items (with the tax effect)									
Translation difference	0.0	0.0	0.0	-4.0	0.0	0.0	**-4.0**	0.0	**-4.0**
Share of other comprehensive income of associated and joint ventures companies	0.0	0.0	0.0	7.2	0.0	0.0	**7.2**	0.0	**7.2**
Other comprehensive income total	0.0	0.0	0.0	3.2	0.0	0.0	**3.2**	0.0	**3.2**
Comprehensive income for the financial year	**0.0**	**0.0**	**0.0**	**3.2**	**0.0**	**-85.7**	**-82.5**	0.0	**-82.5**
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	-0.7	**-0.7**	0.0	**-0.7**
Share-based incentive plan	0.0	0.0	0.0	0.0	0.0	0.8	**0.8**	0.0	**0.8**
Directed issue and write-down of hybrid loan	0.0	6.8	-15.4	0.0	0.0	8.5	**0.0**	0.0	**0.0**
Right issue	0.0	34.8	0.0	0.0	0.0	0.0	**34.8**	0.0	**34.8**
Cost related to share issues excl taxes	0.0	-2.7	0.0	0.0	0.0	0.0	**-2.7**	0.0	**-2.7**
Conversion of notes	0.0	0.0	34.2	0.0	0.0	0.0	**34.2**	0.0	**34.2**
Costs related to notes' conversion	0.0	0.0	-0.7	0.0	0.0	0.0	**-0.7**	0.0	**-0.7**
Hybrid bond interests	0.0	0.0	0.0	0.0	0.0	-2.0	**-2.0**	0.0	**-2.0**
Equity on 31 December 2022	**3.1**	**303.6**	**33.5**	**-14.9**	**0.0**	**-179.0**	146.2	**0.0**	146.2

5) Accounting policies

This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting. In preparing this Interim Report release, SRV has applied the same accounting policies as in its annual financial statements for 2022, however so that the Group has introduced as of 1 January 2023 the new or revised IFRS standards and IFRIC interpretations published by the IASB mentioned in the accounting policies of the annual financial statements for 2022. These do not have a material impact on the Interim Report. In connection with the financial transaction described below, SRV has written down financial liabilities with equity instruments. SRV initially measures the equity instruments issued to the creditor to write down financial liabilities at their fair value on the date when the liabilities are extinguished. The difference between the carrying amount of the extinguished financial liabilities and the paid amount is recognised in profit or loss. The direct transaction costs of the issued equity instruments are recognised directly as an adjustment to equity. The information disclosed in this Interim report is unaudited. The figures in this Interim report have been rounded up to millions of euros, so the sum total of individual figures may deviate from the sum total presented.

Segment change

As from 1 January 2019, SRV reported its business operations as two segments: Construction and Investments. On 27 April 2023, SRV announced that its segment structure has been changed due to internal reorganisation and that going forward the company will report its operations as a single segment. SRV's Investments segment primarily consisted of operations related to its holdings in Russia, which SRV wrote down almost in their entirety in spring 2022. The chief operating decision-maker as defined in IFRS 8 is the Group's Corporate Executive Team, which reviews SRV's business as a single operating segment, which also comprises the reportable segment.

Comparison figures for share-specific key figures

On 4 July 2022, the company carried out a reverse share split, in which each 40 shares of SRV were merged into one share. The comparison figures for the Q1 share-specific key figures have been adjusted accordingly.

Impacts of the war in Ukraine on SRV's operations in Finland

Many of the risk positions involved in the construction industry have increased significantly due to the war. Economic uncertainty is negatively reflected in the confidence of both companies and consumers, and thereby also on construction and housing sales. Accelerating inflation and rising interest rates increase the risks further. Furthermore, the availability of certain raw and construction materials and energy in particular may be hampered by the sanctions imposed by western countries and Russia, thereby further increasing construction costs. Cyberattacks and hacking of telecommunications and IT systems might increase, causing disruptions in the operations of SRV and its customers and partners.

Use of estimates

The preparation of the Interim report in accordance with IFRS requires Group management to make estimates and assumptions that affect both the values of assets and liabilities on the balance sheet date, and income and expenditure for the financial period. Judgements also have to be made in applying the accounting principles. As these estimates and assumptions are based on current perceptions of the situation on the balance sheet date, they involve risks and uncertainties. Actual results may therefore differ from the estimates and assumptions. The key accounting estimates and judgement-based solutions are presented in greater detail in the accounting principles of the consolidated financial statements for 2022. Changes in estimates, increased uncertainty and management considerations influenced by war in Ukraine has been described below.

Deferred tax assets recognised in SRV's balance sheet at the end of the review period amounted to EUR 37.7 million. Most of SRV's deferred tax assets are related to confirmed tax losses. The tax losses arose from the divestment of the holding in the REDI shopping centre as well as the loss-making contracts for the REDI shopping centre, REDI Majakka and Tampere Arena. The deferred tax assets of the Russian companies have been written down in their entirety. The deferred tax assets will be recognised only up to the amount for which the company has sufficient taxable temporary differences or other credible evidence of the ability to use tax losses. At the end of the review period, SRV stated that it is probable that the deferred tax assets will be used. These losses arose due to individual identifiable reasons that are not expected to reoccur. The oldest deferred tax assets from confirmed losses date back to 2016. Confirmed losses can be deducted from profit over the next 10 tax years as income is generated. The assumptions on which the amount of taxable income is based include the management's estimate of future cash flow, including future revenue, operating expenses and financial expenses. The SRV Group's ability to generate taxable income also depends on the general state of the national economy and factors related to financing, competitiveness and regulation that are beyond the SRV Group's control. If a Group company has posted a loss in the recent past, deferred tax assets are recognised on the tax losses only up to the amount for which the company has sufficient taxable temporary differences or other credible evidence of the ability to use tax losses. The deferred tax assets recognised in the balance sheet at the end of reporting period are also based on the fact that losses are confirmed in taxation such that they can be generally utilised for SRV's future taxable income.

The hybrid bond has been measured at fair value based on the results of the tender offer for notes as well as market information on buy and sell offer levels for the current hybrid bond (level 3). The difference between fair value and nominal value has been recognised in the income statement as a change in fair value. The hybrid bond has been recognised in equity less transaction costs directly related to its issue.

The calculation parameters are essential for the final result of the valuation calculation. The key parameters are inflation, growth in consumer demand, forecasts of the trend in rental income and the weighted average cost of capital, which correlates with the local risk-free interest level. The values of the calculation parameters have changed significantly after Russia invaded Ukraine. Expected inflation has risen significantly and the forecast for consumer demand has weakened considerably. The Central Bank of Russia has raised the key interest rate substantially, which in turn strongly increases the weighted average cost of capital. In the prevailing exceptional circumstances, the estimation of the used parameters involves extremely high uncertainty, and the situation is not expected to be rectified in the near future. Using the available sources of information, the company has sought to establish an overview of the parameters that is as accurate as possible. On the basis of the calculations, the discounted operational cash flows of the shopping centres, adjusted by the amount of working capital, do not exceed the value of the preferred debts of the centre in question and thus the asset items and their related loan receivables have been valued at zero in the interim accounts.

SRV suspended the construction of the Torihotelli contract in Oulu due to the payment difficulties of the client. Trade receivables in the contract involve credit loss risks. At the end of December, SRV had about EUR 16.0 million receivables due from this contract, secured by a mortgage on the property under construction and pledges on certain other assets. In March, the company initiated legal proceedings to realise the collateral. In order toaccelerate the realisation of the mortgaged property, SRV filed an application on 27 June 2022 to declare the client company bankrupt. As a result, the District Court of Oulu declared the company developing the hotel, Kiinteistö Oy Oulun Torihotelli, bankrupt on 26 August 2022.

SRV has no assets held for sale according to IFRS 5 during the review period. On 4th March 2022 SRV published statement regarding possibilities of accelerated detaching from Russia. After the statement the company has actively made efforts towards this by negotiating the sale of its Russian assets. The uncertainty in the market is exceptionally high meaning the schedule and probability of detaching from Russia is hard to estimate.

6) Group commitments and contingent liabilities

(EUR million)	31.3.2023	31.3.2022	change, %	31.12.2022
Collateral given for own liabilities				
Real estate mortgages given [1)]	**14.1**	23.3	-39.4	9.2
Other commitments				
Investment commitments given	**19.6**	19.7	-0.4	19.6
Plots purchase commitments	**0.3**	28.9	-99.0	8.0

[1)] Real estate mortgages include the total amount of mortgages given as collateral for developer contracting housing production against the housing corporation loans of uncompleted and unsold completed projects.

7) Financial assets and liabilities by measurement categories

31.3.2023 (EUR million)	Financial assets and liabilities at fair value through profit and loss	Financial assets and liabilities measured at amortised cost	Carrying amounts by balance sheet item	Fair value
Non-current financial asset				
Long-term interest bearing receivables	0.0	11.3	**11.3**	**11.3**
Long-term receivables	0.0	0.0	**0.0**	**0.0**
Loan receivables from associated companies and joint ventures	0.0	0.0	**0.0**	**0.0**
Derivative instruments	4.0	0.0	**4.0**	**4.0**
Other financial assets	7.2	0.0	**7.2**	**7.2**
Current financial assets				
Accounts receivables	0.0	31.9	**31.9**	**31.9**
Other interest bearing receivables	0.0	0.0	**0.0**	**0.0**
Cash and cash equivalents	0.0	32.6	**32.6**	**32.6**
Total	**11.2**	**75.8**	**87.0**	**87.0**
Non-current financial liabilities				
Interest bearing liabilities	0.0	28.7	**28.7**	**28.7**
Derivative instruments	0.0	0.0	**0.0**	**0.0**
Other non-current liabilities	0.0	5.7	**5.7**	**5.7**
Current financial liabilities				
Interest bearing liabilities	0.0	10.0	**10.0**	**10.0**
Accounts payables	0.0	43.9	**43.9**	**43.9**
Total	**0.0**	**88.4**	**88.4**	**88.4**

31.12.2022 (EUR million)	**Financial assets and liabilities at fair value through profit and loss**	**Financial assets and liabilities measured at amortised cost**	**Carrying amounts by balance sheet item**	**Fair value**
Non-current financial asset				
Long-term interest bearing receivables	0.0	14.2	14.2	14.2
Long-term receivables	0.0	0.0	0.0	0.0
Loan receivables from associated companies and joint ventures	4.1	0.0	4.1	4.1
Other financial assets	7.8	0.0	7.8	7.8
Current financial assets				
Accounts receivables	0.0	23.8	23.8	23.8
Cash and cash equivalents	0.0	45.3	45.3	45.3
Total	**11.9**	**83.4**	**95.3**	**95.3**
Non-current financial liabilities				
Interest bearing liabilities	0.0	23.8	23.8	23.8
Derivative instruments	0.0	0.0	0.0	0.0
Other non-current liabilities	0.0	6.3	6.3	6.3
Current financial liabilities				
Interest bearing liabilities	0.0	10.0	10.0	10.0
Accounts payables	0.0	43.0	43.0	43.0
Total	0.0	83.1	83.1	83.1

Liability of derivative instruments (EUR million)	**3/2023** Fair value		**3/2022** Fair value		**12/2022** Fair value	
	Posit.	Negat.	Posit.	Negat.	Posit.	Negat.
Hedge accounting not applied						
Currency options	**0.0**	**0.0**	0.0	0.0	0.0	0.0
Interest rate swaps	**4.0**	**0.0**	0.0	2.6	4.1	0.0

	3/2023	**3/2022**	**12/2022**
Nominal values of derivative instruments			
Currency option	**0.0**	0.0	0.0
Interest rate swaps	**100.0**	100.0	100.0

Fair value hierarchy of financial assets and liabilities

Financial assets at fair value through profit or loss

The company had foreign exchange option contracts and interest rate swaps recognised at fair value through profit or loss.

Derivative financial instruments at fair value through profit or loss

(EUR million)	**Level 1**	**Level 2**	**Level 3**	**Total**
31.3.2023				
Derivative financial assets	0.0	4.0	0.0	**4.0**
Derivative financial liabilities	0.0	0.0	0.0	**0.0**
31.3.2022				
Derivative financial assets	0.0	0.0	0.0	**0.0**
Derivative financial liabilities	0.0	2.6	0.0	**2.6**
31.12.2022				
Derivative financial assets	0.0	4.1	0.0	**4.1**
Derivative financial liabilities	0.0	0.0	0.0	**0.0**

Other financial assets at fair value through profit or loss

(EUR million)	**31.3.23**	31.3.22	31.12.22
Other financial assets	**7.8**	24.7	24.7
Inreases	**0.0**	0.0	0.1
Changes in fair values	**0.0**	-14.7	-17.0
Decreases	**-0.6**	0.0	0.0
Total	**7.2**	10.0	7.8
Non-current	**7.2**	10.0	7.8
Current	**-**	-	-

Other financial assets at fair value through profit or loss

(EUR million)	Level 1	Level 2	Level 3	Total
31.3.2023				
Unlisted shares	-	0.6	7.2	7.8
Long-term receivables	-	4.7	-	4.7
31.3.2022				
Unlisted shares	-	0.6	9.4	10.0
Long-term receivables	-	-	-	-
31.12.2022				
Unlisted shares	-	0.6	4.9	5.5
Long-term receivables	-	2.2	-	2.2

Level 1 instruments are traded in active markets and their fair values are directly based on the market price
The fair values of level 2 instruments are derived from market data.
The fair values of level 3 instruments are not based on observable market data, but may also be based quatations provided by brokers, external market valuation reports or cash flow-based forecast. Valuation may also be based on acquisition cost if this the best estimate of fair value.

Unlisted shares and investments consist mainly of shares purchased for leisure facilities used by SRV's employees (level 2) and real estate funds and projects (level 3). Assets recognised in level 3 consist mainly of Tampere Central Deck and Arena.

8) Breakdown of revenue

Revenue (EUR million)	1-3/ 2023	1-3/ 2022	change MEUR	change, %	1-12/ 2022	Last 12 Months
Revenue recognition at a point in time	2.0	1.4	0.6	45.5	50.1	165.6
Revenue recognition over time	135.4	172.1	-36.7	-21.3	692.4	718.0
Other revenue	0.8	17.2	-16.4	-95.2	27.6	-3.5
Total	**138.3**	**190.7**	-52.4	-27.5	**770.1**	**880.2**

9) Group and Segment Information

SRV will report its operations as a single segment starting from 1 January 2023. The comparison figures have been adjusted accordingly. The chief operating decision-maker as defined in IFRS 8 is the Group's Corporate Executive Team, which reviews SRV's business as a single operating segment, which also comprises the reportable segment.

10) Inventories

EUR million	31.3.2023	31.3.2022	change MEUR	31.12.2022
Land areas and plot-owning companies	**78.3**	67.0	-67.0	75.4
Work in progress	**69.7**	94.3	-94.3	79.6
Shares in completed housing corporations and real estate companies	**4.7**	4.1	-4.1	4.8
Other inventories	**97.3**	74.7	-74.7	78.2
Right -of-use asset, total	**94.3**	71.2	-71.2	75.1
Other inventories	**3.0**	3.5	-2.9	3.0
Inventories, total	**250.0**	240.1	-240.1	238.0

11) Changes in financial position

Financial liabilities, excluding lease liabilities

31.3.2023

EUR million	Carrying amount	Contractual liability [1]	Maturity 2023	2024	2025	2026	later
Bonds	**0.0**	**0.0**	0.0	0.0	0.0	0.0	0.0
Loans from financial institutions	**11.8**	**13.5**	11.1	2.4	0.0	0.0	0.0
Housing loans[2]	**12.3**	**21.2**	0.3	0.6	0.6	0.7	19.0
Other liabilities	**14.6**	**14.6**	0.0	0.0	0.0	0.0	14.6
Other liabilities non- interest bearing	**9.2**	**9.2**	3.5	2.5	3.1	0.0	0.2
Derivative liabilities	**0.0**	**0.0**	0.0	0.0	0.0	0.0	0.0
Accounts payables	**43.9**	**43.9**	43.9	0.0	0.0	0.0	0.0
Total	**91.9**	**102.4**	**58.9**	**5.4**	**3.7**	**0.7**	**33.7**

Financial liabilities, lease liabilities

31.3.2023

EUR million	Carrying amount	Contractual liability	Maturity 2023	2024	2025	2026	later
Lease liabilities	**111.2**	**261.9**	7.9	7.3	7.0	7.0	232.7

Financial liabilities, excluding lease liabilities

31.12.2022

EUR million	Carrying amount	Contractual liability [1]	Maturity 2023	2024	2025	2026	later
Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans from financial institutions	11.8	13.7	11.4	2.3	0.0	0.0	0.0
Housing loans[2]	7.4	12.0	0.3	0.3	0.4	0.4	10.6
Other liabilities	14.6	14.6	0.0	0.0	0.0	0.0	14.6
Other liabilities non- interest bearing	9.8	9.8	3.5	2.5	3.1	0.0	0.7
Derivative liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payables	43.0	43.0	43.0	0.0	0.0	0.0	0.0
Total	**86.6**	**93.0**	**15.1**	**5.1**	**3.5**	**0.4**	**25.9**

Financial liabilities, lease liabilities

31.12.2022

EUR million	Carrying amount	Contractual liability	Maturity 2023	2024	2025	2026	later
Lease liabilities	92.0	220.8	7.0	6.8	6.1	6.0	194.9

[1] Includes all contractual payments, e.g. interest and commitment fees.

[2] At the time of handing over the apartment, the responsibility for repaying the principal and interest on the housing loans passes to the buyer of the apartment. Irrespective of whether the apartment is unfinished or completed, but not handed over to the buyer, SRV's debt capital and interest are presented in full up to the maturity of the loan. Only when control of the apartment is transferred will interest and principal be removed from the table.

At the end of the review period, EUR 10 million of the company’s EUR 30 million revolving credit facility was withdrawn and EUR 20 million was unused. EUR 35.8 million of the company’s EUR 40 million committed project financing facility was unused at the end of the review period. In addition, the company’s EUR 63 million non-committed project financing facility was entirely unused at the end of the review period.

Covenants

SRV's financing agreements contains standard covenants that relate to, among other, certain key financial indicators and ratios, and the guarantees given by SRV. The covenants of the revolving credit facility (RCF) are based on FAS or IFRS figures, adjusted and calculated in accordance with the methods defined inthe terms and conditions of the RCF agreement. The covenants are percentage of completion equity ratio, net gearing excluding IFRS 16 impact, Last 12 months minimum EBITDA excluding the share of associated companies' income and the impact of transaction costs and impairments, minimum cash and certain other limitations. Of the aforementioned covenants equity ratio, net gearing and minimum EBITDA are tested quarterly. Minimum cash is tested monthly.

The table below presents the covenants and covenant levels of the RCF in place at the end of the reporting period:

Financial covenants of the RCF	Covenant value
Equity ratio (overtime revenue recognition)	>28 per cent
Net gearing (excluding IFRS 16 impact)	≤100 per cent
Minimum cash	>EUR 15 million at the period end, >EUR 7,5 million on other occasions
Minimum EBITDA (excluding the share of associated company results and before transaction costs and impairments)	>EUR 15 million

12) Currency Risks

SRV is exposed to changes in the exchange rate of the ruble through its Russian subsidiaries, associated companies and joint ventures. Balance sheet items denominated in rubles are translated into euros using balance sheet date's exchange rate 84.4147. Currency risks are divided into transaction risk and translation risk. Transaction risk relates to foreign currency-denominated business (sales and purchases) and financing (loans) cash flows. Translation risk relates to investments in foreign subsidiaries, associated companies and project companies in which the functional currency is not the euro, and whose imputed effects are reflected in translation differences in the Group's consolidated equity.

Ruble exchange risk position

EUR million	**31.3.2023**	**31.12.2022**
Translation risk position		
Group Companies equity	3.0	3.0
Joint ventures and associated companies equity	0.0	0.0
Total	**3.0**	**3.0**
Transcation risk position		
Group Companies euro loan receivable/debt	2.0	2.6
Joint ventures and associated companies euro loan receivables/debt	**0.0**	**0.0**
Total	**2.0**	**2.6**
Ruble exchange risk position total	**4.9**	**5.6**
Short-term foreign exchange option- and forward contracts capital	0.0	0.0

13) Financial income

	1-3/ 2023	**1-3/ 2022**	**1-12/ 2022**
Dividend and interest income	0.4	0.6	1.4
Exchange rate gains	0.0	0.0	1.5
Partial write down of notes	0.0	0.0	17.1
Fair-value change of hybrid loan	0.0	0.0	22.9
Fair-value change of interest rate swap	0.0	0.0	10.0
Financial income, total	**0.4**	**0.6**	**52.7**

14) Russia business operations

In 2022 SRV has written down the balance sheet values of practically all of its shopping centres and other holdings in Russia and its holding in Fennovoima. .After the write-downs and change in the exchange rate of the rouble, the total value of SRV's holdings in Russia is EUR 3.0 million.

15) Related party transactions

EUR million 31.3.2023	Salaries and compensation	Sale of goods and services	Purchase of goods and services	Interest income	Receivables	Liabilities
Management and the Board of Directors	0.6	0.0	0.0	0.0	0.0	0.0
Joint ventures	0.0	0.3	0.0	0.0	0.0	0.0
Associated companies	0.0	0.0	0.0	0.0	0.0	0.0
Other related parties	0.0	0.0	0.0	0.0	0.0	0.0
Total	**0.6**	**0.3**	**0.0**	**0.0**	**0.0**	**0.0**

On 31 March 2022 SRV has written down it's loan receivables from associated companies classified as related party transactions. At balance sheet date the value of loan receivables from associated companies was EUR 0.0 million (12/2022 EUR 0 million).

31.3.2022	Salaries and compensation	Sale of goods and services	Purchase of goods and services	Interest income	Receivables	Liabilities
Management and the Board of Directors	0.7	0.0	0.0	0.0	0.0	0.0
Joint ventures	0.0	0.2	0.0	0.0	0.4	0.0
Associated companies	0.0	0.3	0.0	0.5	56.5	0.0
Other related parties	0.0	0.0	0.0	0.0	0.0	0.0
Total	**0.7**	**0.5**	**0.0**	**0.5**	**56.9**	**0.0**

31.12.2022	Salaries and compensation	Sale of goods and services	Purchase of goods and services	Interest income	Receivables	Liabilities
Management and the Board of Directors	3.4	0.0	0.0	0.0	0.0	0.0
Joint ventures	0.0	1.4	0.0	0.0	0.0	0.0
Associated companies	0.0	1.5	0.0	0.0	0.0	0.0
Other related parties	0.0	0.0	0.0	0.0	0.0	0.0
Total	**3.4**	**2.8**	**0.0**	**0.0**	**0.0**	**0.0**

16) Events after reporting period

On 26 April 2023, SRV Group Plc announced that it had agreed on a committed, unsecured revolving credit facility (RCF) amounting to EUR 40 million with its key lenders. The RCF matures in two years with an optional one-year extension.

On 27 April 2023, SRV Group Plc announced that it has adopted new segment reporting, and going forward will report on the Group as a single segment. At the same time, the company published financial comparison information for 2022 in line with the new segment structure.