phm

Report by the Board of Directors and Financial Statements 2024

Financial review 2024

Board of Directors’ Report

PHM Group in brief

PHM Group is a property services provider that operates in Finland, Sweden, Norway, Denmark, Germany and Switzerland. The company had 13,565 employees on average during 2024 and its LFL revenue was EUR 1,127.7 million. PHM Group is a growth company and is constantly expanding into new areas.

PHM Group is owned by funds managed by Norvestor and an Intera fund, together with the company’s senior management and key personnel.

Strategy

PHM Group’s mission is to take care of people by taking care of their living environment. PHM serves its customers by providing a broad range of property maintenance services, management services and technical services locally in Finland, Sweden, Norway, Denmark, Germany and Switzerland.

PHM’s vision is to grow into a leading local property services partner in all its operating countries. The large but fragmented Northern and Central European property services market provides a good starting point for the company’s expansion both organically and through acquisitions. The company’s objective of growth is also supported by megatrends, including urbanisation, the ageing of the building stock and the increasing use of service outsourcing.

To achieve its objective, PHM has defined five key cornerstones for its strategy. They represent the areas in which the company aims to succeed. The cornerstones of the strategy are organic growth, mergers and acquisitions, employee experience, operational efficiency, and responsibility and good governance. The execution of the strategy is driven by development projects that are based on these strategic cornerstones.

The company pursues organic growth by increasing the number of contract customers and by enhancing additional sales, which is driven by offering an increasingly wide range of additional services. Combining the Group’s sales resources and the expertise of the local units enables PHM to deliver the best possible service experience to housing companies, residents and commercial properties alike. Growth is also supported by cross-selling opportunities between the Group companies.

PHM is the leading driver of consolidation in the fragmented property services market. The low level of consolidation in the market gives PHM the opportunity to be selective in its acquisitions and supports the healthy pricing of acquisitions. The focus of corporate arrangements is on expanding operations in current countries of operation, as well as expanding service offerings and presence in cities where PHM already has a significant foothold. The Group has an extensive experience of acquisitions, and it aims to leverage it as part of its expansion strategy. The Group’s local operating model enables the quick and low-risk integration of acquired units and the rapid realisation of synergies.

As PHM’s industry is highly labour-intensive, personnel play a key role in the execution of the company’s strategy. PHM wants to be the best employer in the industry, thereby strengthening its position and enabling growth. The company provides a safe and pleasant work environment and supports diversity and inclusion among personnel. As a Group, PHM can provide its employees with not only diverse development opportunities but also a local and close-knit workplace community and operating culture.

PHM Group continuously develops its operations with the aim of improving efficiency. This enables the Group to ensure profitable growth, the reliable delivery of services to customers, and strong cash flow for investors. The company improves the efficiency of its operations by sharing best practices between the Group’s units, by optimising its personnel and fleet resources, and by developing the efficiency of its units in accordance with the Group’s common practices and operating models, for example. The operations of the local units are also supported by the Group’s centralised support functions, as well as advanced digital solutions that support the local business operations.

PHM is a responsible, reliable and ethically run company. PHM offers a wide range of property services that enable safe and smooth daily life for its customers and employees. The company’s rigorous corporate governance rules and ethical principles protect both its customers and its employees. PHM also requires the same from its suppliers and subcontractors. As a large Group, PHM can make environmentally sustainable choices that reduce the environmental impacts of its operations.

Acquisitions

In 2024, PHM successfully continued executing its acquisition strategy. M&A activity was all-time high as PHM completed both strategic acquisitions and continued its expansion outside the Nordics. The most significant transactions were the acquisitions of DEAS Group’s Real Estate Services business in Denmark and Investis Group’s Real Estate Services business in Switzerland.

The acquisitions strengthen PHM's position in Denmark and expand PHM's business to a whole new market in Switzerland.

In Finland, PHM strengthened its market position and service offering in several cities around the country. Additionally, PHM expanded to Heinola by acquiring Kiinteistöpalvelu Kukkonen Oy and Heinolan Talohuolto Oy, to Pieksämäki by acquiring Pieksämäen Seudun Talohuolto Oy, to Keuruu by acquiring Keski-Suomen Talonmiespalvelu Oy and to Loimaa by acquiring Kotipolun Pihaportti Oy.

In Sweden, PHM acquired Allgranthgruppen, which consists of three companies that offer a wide range of property services. The companies' services include financial and technical management, outdoor and property maintenance, landscaping as well as renovation services to households. The acquisition strengthens PHM's market position as a provider of residential property services in the Stockholm area. PHM also acquired the business operations of Korrekt Bostadrättsförening, consisting of property management services for residential properties in the Stockholm area. Additionally, PHM expanded to the Kiruna area by acquiring Attentive Fastighet och Företagsservice Ab.

In Norway, PHM strengthened its presence in the Drammen region by acquiring Høvik Eiendomsdrift AS, which is a provider of various indoor and outdoor maintenance services, including technical building services, renovation work and outdoor maintenance. Høvik Eiendomsdrift AS has operated in the rapidly growing region for several years and has a good understanding of the needs of the region and its customers, which presents an excellent opportunity for organic growth in the coming years. Additionally, PHM acquired Absolutt Rent AS, which specialises in staircase cleaning for residential properties. The company strengthens PHM's cleaning service expertise and offering in the Oslo area.

In Denmark, the acquisition of the Denmark-based DEAS Group's Real Estate Services business (DEAS A/S) significantly strengthens PHM's position in Denmark. The transaction does not include the Asset Management business of DEAS A/S, which was carved out before the acquisition. DEAS A/S is a Danish property management company that provides services to local, regional and international real estate investors, property owners and tenants. With the acquisition, PHM will have the most comprehensive range of services and expertise in property maintenance and management in Denmark. Additionally, PHM acquired J S E Ejendomsservice ApS in the Copenhagen area and expanded to the Jutland Peninsula in the Horsens region by purchasing the business operations of Borg Service.

In Germany, PHM continued to grow in various regions around the country. In the north, the acquisitions of Flensburger Objektservice GmbH, property services business of Pur98100 Gebäude-Service GmbH and Kieler Gebäudeservice GmbH offers PHM Group an opportunity to achieve local market leadership in Flensburg and to expand to Kiel and the surrounding area. All companies offer cleaning and gardening services as well as various maintenance services. In Hamburg, PHM's position is strengthened by the acquisition of Hausmeisterservice Wermke GmbH, which supports growth in the area. The acquisition of a.di.g. Dienstleistungen GmbH provides PHM the opportunity to expand its operations in the Berlin area. In central Germany, PHM expanded to Kassel and its surroundings by acquiring Schöne Gebäude-Reinigung GmbH and Schöne & Co. Tech GmbH. The companies are known as high-quality providers of cleaning and property maintenance services as well as technical services in the region, and they have a strong market position in Kassel. In southern Germany, the acquisition of ImmoS Clean & Care GmbH brings PHM Group's operations to a completely new area. ImmoS Clean & Care specialises in property maintenance, cleaning, gardening and winter services. Its customer base ranges from residential properties and institutional housing companies to properties in retail, chemical manufacturing and research. The company's operating area covers Mannheim and the surrounding Rhine-Neckar Metropolitan Region.

The acquisition of Der HausmeisterPROFI FM GmbH strengthens PHM's position in the Nürnberg area. In addition, during the last quarter PHM Group expanded its operations to the Munich area by acquiring GE-Service Dienstleistungen GmbH and GeMoBau GmbH.

During the fiscal year, PHM expanded its operations to Switzerland by acquiring the Switzerland-based Investis Group's Real Estate Services business, Valores Group. Valores Group provides property management and maintenance services for residential and commercial properties. The Swiss property services market is growing, and its purchasing behaviour is very similar to the Finnish and Danish markets. This makes Switzerland an attractive market for PHM Group. Later in the autumn, a property management service provider Privera AG, part of the Valores Group, acquired the business operations of Verit Immobilien. The acquisition expands PHM's geographical presence and strengthens its current market position.

During 2024, PHM completed 31 acquisitions. In total, the closed acquisitions had a EUR 346.7 million positive impact on LTM like-for-like revenue and EUR 49.3 million positive impact on LTM like-for like adjusted EBITDA, respectively.

Completed acquisitions and disposals 1-12/2024

Target company	Country	Region	Closing	% of voting rights	Currency	Revenue*	EBITDA*
Acquisitions							
Savonlinnan Siivous- ja Kiinteistöhuoltokeskus SK2**	Finland	Savonlinna	January		EURm	0.9	0.2
Nokian Saneeraus Asiantuntijat Oy	Finland	Nokia	February	100	EURm	1.0	0.2
Høvik Eiendomsdrift AS	Norway	Drammen	March	100	NOKm	17.1	2.2
Pur98100 Gebäude-Service**	Germany	Flensburg	March		EURm	2.6	0.5
Allgranthgruppen***	Sweden	Stockholm	March	100	SEKm	49.7	6.7
Korrekt Bostadsrättsförvaltning****	Sweden	Stockholm	March	100	SEKm	3.3	1.6
Kiinteistöpalvelu Kukkonen Oy	Finland	Heinola	April	100	EURm	2.0	0.2
Borg Service****	Denmark	Jutland	May	100	DKKm	2.9	0.4
Rauman Pihapojat Oy	Finland	Rauma	May	100	EURm	1.2	0.2
J S E Ejendomsservice ApS	Denmark	Copenhagen	May	100	DKKm	5.1	0.9
Schöne & Co. Tech GmbH and Schöne Gebäude-Reinigung GmbH	Germany	Kassel	May	100	EURm	6.6	1.2
KS-Kiinteistö Oy	Finland	Jyväskylä	June	100	EURm	1.7	0.1
Kiinteistöhuolto Hautanen Oy	Finland	Seinäjoki	June	100	EURm	1.6	0.4
Päre Siivous**	Finland	Rovaniemi	June		EURm	0.4	0.0
Absolutt Rent AS	Norway	Oslo	June	100	NOKm	10.4	3.7
Valores Group*****	Switzerland	Nationwide	June	100	CHFm	184.8	22.9
Pieksämäen Seudun Talohuolto Oy	Finland	Pieksämäki	July	100	EURm	1.9	0.3
Attentive Fastighet och Företagsservice Ab	Sweden	Kiruna	July	100	SEKm	26.3	4.8
Verit Immobilien****	Switzerland	Nationwide	July	100	CHFm	18.3	0.0
Flensburger Objektservice GmbH & Kieler Gebäudeservice GmbH	Germany	Flensburg & Kiel	July	100	EURm	2.8	0.6
Hausmeisterservice Wermke GmbH	Germany	Hamburg	July	100	EURm	2.1	0.1
DEAS A/S*****	Denmark	Nationwide	August	100	DKKm	663.1	81.1
ImmoS Clean & Care GmbH	Germany	Mannheim	August	100	EURm	2.8	0.8
Keski-Suomen Talonmiespalvelu Oy	Finland	Keuruu	September	100	EURm	0.9	0.2
Der HausmeisterPROFI FM GmbH	Germany	Nürnberg	September	100	EURm	2.1	0.3
Heinolan talohuolto Oy	Finland	Heinola	October	100	EURm	1.0	0.1
Talo- ja Konepalvelut Sommar Oy	Finland	Nokia	October	100	EURm	0.6	0.1
a.di.g. Diensleistungen GmbH	Germany	Oranienburg	November	100	EURm	1.3	0.4
GE-Service Diensleistungen GmbH & GeMoBau GmbH	Germany	Wasserburg am Inn	November	100	EURm	5.0	0.3
Stor-Oslo Rørleggerservice AS	Norway	Oslo	November	100	NOKm	9.2	1.0
Kotipolun Pihaportti Oy	Finland	Loimaa	December	100	EURm	1.1	0.1

* Presented financials are based on latest available audited financial statements (local GAAP)
** Asset purchase
*** Unofficial consolidation of group entities
**** Asset purchase, management estimation of like-for-like revenue and adjusted EBITDA
***** Like-for-like revenue and adjusted EBITDA

Financial review

The Group’s reported revenue for 2024 was EUR 946.2 million (624.9), and adjusted EBITDA was EUR 155.2 million (93.2). In addition to the operational development discussed below in the financial review section on LFL figures, the scale of the Group's business relative to the comparison period also continued to increase due to the several significant acquisitions made by PHM in 2023 and 2024. The year-on-year growth is largely attributable to the acquisitions in question.

The Group's profit for 2024 amounted to EUR -15.8 million (-2.3). In addition to being affected by operating costs, the result was affected by the amortisation of customer and brand-related intangible assets from acquisitions made, and the amortisation of other long-term expenditure totalling EUR -29.4 million (-16.7), as well as financing costs, which amounted to EUR -81.8 million (-41.3). In addition to interest expenses, the net financial expenses also included financing-related advisory costs and realised translation differences, among other items. The increase in financing costs was due to the increase in debt financing necessary for implementing PHM’s growth strategy.

The Group’s LFL revenue increased by 3.0% to EUR 1,127.7 million (1,095.0). LFL revenue is calculated by adjusting for the revenue of acquired entities for the time when they were not part of the Group. LFL revenue growth at comparable exchange rates was 2.8%. LFL revenue growth was supported by increased contract sales in all the Group's operating countries, driven by price increases and the growth of the contract base. Additional sales were boosted particularly by winter-related services in the first quarter, but weak demand in the project business and the mild weather conditions during the fourth quarter meant that the overall development of additional sales was negative for the year. LFL revenue increased in all countries except Norway and Denmark. The overall impact of exchange rate fluctuations on revenue was EUR 2.6 million. This was due to the appreciation of the Swiss franc, the effect of which was partially offset by the depreciation of the Danish krone and the Norwegian krone.

The Group’s LFL adjusted EBITDA increased by 9.4% to EUR 180.1 million (164.7). At comparable exchange rates, LFL adjusted EBITDA grew by 9.2%. LFL adjusted EBITDA was supported by revenue growth, lower material costs due to the decrease in project revenue, the realisation of planned synergies from acquisitions, the successful in-housing of previously subcontracted work, and lower operating costs, which were mainly due to decreased administrative expenses and business premises expenses. However, this development was offset by higher subcontracting costs due to sales in the early part of the year being more focused on winter-related services, in which the use of external workers is higher. Personnel costs increased due to the growth of in-house service production and general increases in wages. The increase in personnel costs was in line with revenue growth. Consequently, the adjusted EBITDA margin improved by 0.9 percentage points year-on-year.

The Group's operating cash flow, prior to acquisitions and financial items, significantly increased from the comparative period, reaching EUR 132.9 million (68.9). Operating cash flow was supported by higher EBITDA and the release of working capital, but higher capital expenditure reduced cash flow. Investments in tangible and intangible assets amounted to EUR -32.8 million (-22.5). This amount consisted mainly of investments in machinery and equipment, as well as intangible assets arising from acquisitions carried out as asset purchases.

At the end of the period, interest-bearing net debt was EUR 1,003.4 million and leverage was 5.09x. Interest-bearing net debt increased from 2023 mainly due to several large acquisitions made. The leverage of 5.36x in 2023 decreased due to the increase of synergy-adjusted LFL EBITDA for the previous twelve months. The liquidity of the Group remains stable as cash and cash equivalents at the end of the review period were EUR 55.0 million, and EUR 62.5 million of the Super Senior RCF was undrawn.

To ensure its continued ability to execute its growth strategy, the Group significantly strengthened its financial position by substantially increasing the amount of available financing in 2024, raising a EUR 300 million senior-secured Term Loan B. In addition, PHM completed a tap issue of its senior secured callable floating rate notes in a nominal amount of EUR 35 million. The subsequent notes are due in 2026 and are part of the company's existing bond framework of EUR 450 million. At the end of the review period, the total amount of outstanding senior secured notes was EUR 640 million. The total amount consists of EUR 300 million in floating rate notes and EUR 340 million in fixed rate notes. The notes were listed on the Nasdaq Helsinki Stock Exchange and the Frankfurt Open Market during the fiscal year. The Super Senior RCF of EUR 92.5 million had EUR 25 million drawn at the end of the fiscal year and EUR 5 million was allocated as a guarantee limit.

After the fiscal year PHM did a refinancing and paid back loans listed earlier. The new financing consists of a EUR 1 billion Term Loan B with a maturity of seven years. The Term Loan B bears a floating rate and has a margin of 3.50 percent. The Term Loan B is complemented by a new EUR 150 million pari passu RCF with a maturity of six years. The successful pricing of the new financing was a proof of the market's confidence in PHM's strategy and stable business model.

Information on key intangible assets

PHM Group consists of hundreds of local companies with up to several decades of experience in local real estate services. The units have created a well-known local brand and strong customer relationships. The company employs over 13,500 employees, whose real estate service and business expertise are a key strength for the company. The committed key personnel of the local units are a key success factor for the company. The local units are supported by the background forces of a large group, including finance, purchasing, human resources and corporate governance expertise, as well as the distinctive brand of PHM Group.

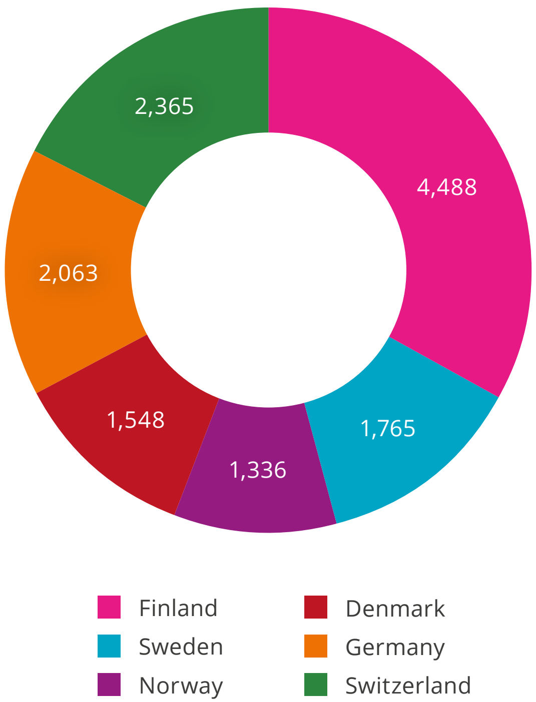
PHM's intangible assets capitalized on its balance sheet mainly consist of intangible assets identified in connection with corporate acquisitions, such as customer relationships and trademarks. PHM also has separately acquired intangible assets. For more information on intangible assets, see Note 3.3 to the financial statements: Intangible assets and goodwill.

Personnel and Good Governance

At the end of December, the PHM Group companies employed 13,565 people (LFL) on average across the six countries where the Group operates. Adjusted for the time the companies have been part of PHM the average number of employees was 11,722. Like-for-like personnel expenses adjusted for non-recurring items in January–December totalled EUR 611.4 million (595.1). Reported personnel expenses totalled EUR 493.9 million (307.5).

In 2024, human resources development aimed to enhance leadership capabilities, broaden online learning opportunities, and implement HR systems across all operating countries. The systems provide a basis for broader reporting and data-driven management in the future. The HR organizations in the countries were strengthened to better support business growth and meet local requirements. Additionally, an employee survey was conducted in all operating countries, and the next development actions are being planned based on the results.

Number of employees 2024



PHM Group's Board of Directors in 2024:
- Karl Svozilik (Chair)
- Marika af Enehjelm
- Tuomas Sarkola
- Ståle Angel
- Svein Olav Stølen
- Stéphane Bonvin

PHM Group's Management Team in 2024:
- Ville Rantala, Group CEO
- Toni Mannila, Country Director, Finland
- Andreas Westin, Country Director, Sweden (until 8/2024)
- Tommy Fredriksen, Country Director, Norway
- Kasper Bygholm, Country Director, Denmark
- Michael Stucki, Country Director, Switzerland & Germany (from 7/2024)
- Petri Pellonmaa, Group CFO and Acting Country Director of Sweden 9–12/2024
- Eeva Tielinen, HR Director
- Juha Allonen, CIO
- Joni Paananen, Group General Counsel
- Hanna Haapakoski, Director, Group Corporate Affairs

A more detailed description of PHM Group's governance can be found in the Corporate Governance Statement in the Annual Report.

A description of PHM Group's corporate responsibility can be found in the Sustainability Statement which is included in the Annual Report.

Significant risks and uncertainties

PHM's growth and financial performance may be influenced by geopolitical risks. If the war in Ukraine continues, it may affect economic growth, inflation and consumer confidence. In addition, geopolitical developments between Russia and the United States may cause uncertainty, even if there is a ceasefire or peace agreement in Ukraine. Import tariffs imposed by the United States on the European Union may have a direct impact on Europe's economic development, such as economic growth, inflation and consumer confidence, especially if the situation devolves into a trade war. In addition, import tariffs imposed by the United States on countries outside the EU may also have an indirect impact on economic development in Europe. The development of the relationship between China and the United States also involves uncertainty, and the situation in the Middle East remains volatile.

PHM has identified physical risks and transition risks that are related to climate change and that may affect PHM's business. For example, changing weather conditions reduce the predictability of outdoor maintenance services, which may affect revenue and profitability. In addition, changing customer requirements or needs can affect the demand for property services. More information on the climate risks identified by PHM and their mitigation, as well as related opportunities, is provided in the Sustainability Statement.

The slow recovery of the economy and demand may be reflected in PHM's business, particularly in the form of a decrease in the demand for additional work, as investments in property maintenance and less acute additional work are postponed. The economic situation may also be reflected in contract revenue through increased price pressure. Increases in interest rates in relation to the cash flow generated by operations, and a resulting decline in the ability to service debts, constitute a financing risk for PHM. In addition, the availability of financing is a risk from the perspective of the implementation of PHM's strategy. Heavily acquisition-driven growth entails an operational risk if the acquired companies are not adequately integrated into the company. In the post-acquisition phase, an acquired company's profit performance, organisational culture or employee commitment may decline temporarily.

Shares and shareholders

The parent company PHM Group Holding Oyj has one issued share and one class of shares. The only issued share is held by PHM Group TopCo Oy. PHM Group TopCo Oy is majority owned by funds managed by Norvestor Equity AS. Other major owners include funds managed by Intera Partners together with the Group's senior management and key employees.

Board of Directors' proposal concerning the distribution of profits

The Board of Directors proposes that the loss of EUR 1,559.58 is recognised in the company's non-restricted shareholders' equity and that no dividend will be distributed.

Loans, liabilities and contingent liabilities to related parties

Transactions with related parties are presented in Note 5.1.

Events after the review period

PHM Group has continued its strategy of growing through acquisitions even after the year end and continues to have a strong pipeline of active dialogues. None of the closed transactions are such that they would have a material impact on the Group's business or financial position.

In April 2025, PHM repaid its debt obligations for the fiscal year and reorganised its financing. The new financing consists of a EUR 1 billion Term Loan B with a seven-year maturity. The loan bears a floating rate and has a margin of 3.5 per cent. The Term Loan B is complemented by a new EUR 150 million pari passu revolving credit facility (RCF) with a six-year maturity. The financing will be used for the group's general corporate and working capital purposes.

Key Figures

EUR million, unless otherwise specified	2024	2023	2022
Reported			
Revenue (net sales)	946.2	624.9	483.3
EBITDA	137.7	86.2	71.9
Adjusted EBITDA	155.2	93.2	77.2
Adjusted EBITDA margin -%	16.4%	14.9%	16.0%
Adjusted EBITA	110.5	64.5	56.0
Adjusted EBITA margin -%	11.7%	10.3%	11.6%
Profit for the period	-15.8	-2.3	14.2
Like-for-like (LFL)			
LFL revenue	1,127.7	1,095.0	1,064.1
LFL EBITDA	165.5	148.4	145.6
LFL adjusted EBITDA	180.1	164.7	157.6
LFL adjusted EBITDA margin -%	16.0%	15.0%	14.8%
LFL adjusted EBITA	128.7	115.9	111.4
LFL adjusted EBITA margin -%	11.4%	10.6%	10.5%
Financial position			
Equity ratio, %	14.1%	19.0%	20.6%
Net interest-bearing debt (NIBD)	1,003.4	647.8	421.2
Leverage, x	5.09	5.36	4.81
Interest coverage ratio, x	1.26	1.77	2.66
Operating cash flow before acquisitions	132.9	68.9	52.7
Cash conversion, %	96.5%	79.9%	73.4%
Other			
Average number of employees, LFL	13,565	-	-
Average number of employees, reported	11,722	8,389	5,615

Alternative Performance Measures (APM)

The company applies ESMA (European Securities and Markets Authority) guidelines on alternative performance measures.

The company uses and presents the following alternative performance measures to better illustrate the operative development of its business: operating profit before amortisations (EBITA), EBITDA, Adjusted EBITA, Adjusted EBITDA, like-for-like figures.

The items included in the aforementioned APM's consist of the following:

Adjusted EBITA and EBITDA	2024	2023	2022
EBIT	**62.5**	**40.8**	**37.0**
Amortisation	29.4	16.7	13.6
EBITA	**91.9**	**57.5**	**50.6**
M&A-related consultancy costs	5.3	2.9	2.8
Business-related non-recurring items	11.5	3.7	1.7
Other non-recurring items	1.9	0.4	0.9
Adjusted EBITA	**110.5**	**64.5**	**56.0**
LFL impact of acquisitions made	18.2	51.4	55.4
LFL adj EBITA	**128.7**	**115.9**	**111.4**
EBIT	**62.5**	**40.8**	**37.0**
Depreciations	45.8	28.7	21.3
Amortisation	29.4	16.7	13.6
EBITDA	**137.7**	**86.2**	**71.9**
M&A-related consultancy costs	5.3	2.9	2.8
Business-related non-recurring items	11.5	3.7	1.7
Other non-recurring items	0.8	0.4	0.9
Adjusted EBITDA	**155.2**	**93.2**	**77.2**
LFL impact of acquisitions made	24.9	71.5	80.4
LFL adj EBITDA	**180.1**	**164.7**	**157.6**

Formulas of Key Figures

EBITDA	=	Operating profit + depreciations and amortisation	
EBITDA margin -%	=	$\frac{\text{Operating profit + depreciations and amortisation}}{\text{Net sales}}$	x 100
EBITA	=	Operating profit + amortisation	
EBITA margin -%	=	$\frac{\text{Operating profit + amortisation}}{\text{Net sales}}$	x 100
Adjusted EBITDA	=	EBITDA + non-recurring items	
Adjusted EBITDA margin -%	=	$\frac{\text{Adjusted EBITDA}}{\text{Net sales}}$	x 100
Adjusted EBITA	=	EBITA + non-recurring items	
Adjusted EBITA margin -%	=	$\frac{\text{Adjusted EBITA}}{\text{Net sales}}$	x 100
LFL Revenue (net sales)	=	Net sales + like-for-like adjustments	
LFL EBITDA	=	EBITDA + like-for-like adjustments	
LFL adjusted EBITDA	=	Adjusted EBITDA + like-for-like adjustments	
LFL adjusted EBITDA margin -%	=	$\frac{\text{LFL adjusted EBITDA}}{\text{Net sales}}$	x 100
LFL adjusted EBITA	=	Adjusted EBITA + like-for-like adjustments	

Formulas of Key Figures

LFL adjusted EBITA margin -%	=	$\frac{\text{LFL adjusted EBITA}}{\text{Net sales}}$	x 100
LFL synergy adjusted EBITDA	=	LFL adjusted EBITDA + run rate synergies	
Equity ratio, %	=	$\frac{\text{Shareholders' equity}}{\text{Balance sheet total - advances received}}$	x 100
Net interest-bearing debt (NIBD)	=	Interest-bearing liabilities - cash and cash equivalents	
Leverage, x	=	$\frac{\text{Net interest-bearing debt (NIBD)}}{\text{LFL synergy adjusted EBITDA}}$	
Interest coverage ratio, x	=	$\frac{\text{Interest costs, excluding interest on lease liabilities}}{\text{EBITA}}$	
Operating cash flow before acquisitions	=	EBITDA + change in working capital (excluding intra-group liability to ultimate parent) + Proceeds from sale of tangible and intangible assets + Purchase of tangible and intangible assets	
Cash conversion, %	=	$\frac{\text{Operating cash flow before acquisitions}}{\text{EBITDA}}$	x 100
Average number of employees, LFL	=	The average number of employees at the end of previous financial year and of each calendar month during the accounting period including the number of employees of entities acquired during the previous financial year for the time they have not been part of the Group	
Average number of employees, reported	=	The average number of employees at the end of the previous financial year and of each calendar month during the accounting period	

Sustainability Statement

ESRS content index

In this Sustainability Statement, PHM Group reports the material disclosure requirements resulting from double materiality assessment and European Sustainability Reporting Standards.

Disclosure requirement	Page
E3-5 – Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Not material
E4 Disclosure requirement related to ESRS 2 SBM-3	Not material
E4 Disclosure requirement related to ESRS 2 IRO-1	Not material
E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Not material
E4-2 – Policies related to biodiversity and ecosystems	Not material
E4-3 – Actions and resources related to biodiversity and ecosystems	Not material
E4-4 – Targets related to biodiversity and ecosystems	Not material
E4-5 – Impact metrics related to biodiversity and ecosystems change	Not material
E4-6 – Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	Not material
E5 Disclosure requirement related to ESRS 2 IRO-1	Not material
E5-1 – Policies related to resource use and circular economy	Not material
E5-2 – Actions and resources related to resource use and circular economy	Not material
E5-3 – Targets related to resource use and circular economy	Not material
E5-4 – Resource inflows	Not material
E5-5 – Resource outflows	Not material
E5-6 – Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Not material
S1 Disclosure requirement related to ESRS 2 SBM-3	53
S1-1 – Policies related to own workforce	55
S1-2 – Processes for engaging with own workers and workers' representatives about impacts	57
S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	58
S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	58
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	60
S1-6 – Characteristics of the undertaking's employees	61

Disclosure requirement	Page
S1-7 – Characteristics of non-employee workers in the undertaking's own workforce	PHM Group has used phase-in provisions and does not report the disclosure requirement in 2024.
S1-8 – Collective bargaining coverage and social dialogue	57
S1-9 – Diversity metrics	23, 61
S1-10 – Adequate wages	53
S1-11 – Social protection	Not material
S1-12– Persons with disabilities	Not material
S1-13 – Training and skills development metrics	PHM Group has used a phase-in provision and does not report the disclosure requirement in 2024.
S1-14 – Health and safety metrics	60
S1-15 – Work-life balance metrics	PHM Group has used a phase-in provision and does not report the disclosure requirement in 2024.
S1-16 – Compensation metrics (pay gap and total compensation)	53
S1-17 – Incidents, complaints and severe human rights impacts	62
S2 Disclosure requirement related to ESRS 2 SBM-2	Not material
S2 Disclosure requirement related to ESRS 2 SBM-3	Not material
S2-1 – Policies related to value chain workers	Not material
S2-2 – Processes for engaging with value chain workers about impacts	Not material
S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	Not material
S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Not material
S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Not material
S3 Disclosure requirement related to ESRS 2 SBM-2	Not material
S3 Disclosure requirement related to ESRS 2 SBM-3	Not material

Disclosure requirement	Page
S3-1 – Policies related to affected communities	Not material
S3-2 – Processes for engaging with affected communities about impacts	Not material
S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns	Not material
S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Not material
S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Not material
S4 Disclosure requirement related to ESRS 2 SBM-3	63
S4-1 – Policies related to consumers and end-users	64
S4-2 – Processes for engaging with consumers and end-users about impacts	65
S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	65
S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	66
S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	66
G1 Disclosure requirement related to ESRS 2 GOV-1	68
G1-1 – Corporate culture and business conduct policies	69
G1-2 – Management of relationships with suppliers	Not material
G1-3 – Prevention and detection of corruption and bribery	73
G1-4 – Confirmed incidents of corruption or bribery	73
G1-5 – Political influence and lobbying activities	Not material
G1-6 – Payment practices	Not material

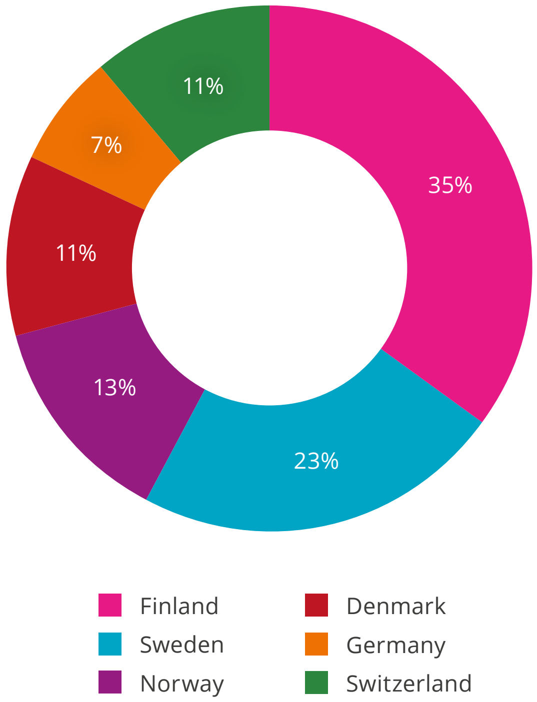
1. General information

BP-1 General basis for preparation

This Sustainability Statement has been prepared on a consolidated basis, taking into account the entire reporting entity PHM Group Holding Oyj and its subsidiaries. Due to the high level of acquisition activity, PHM Group constantly has subsidiaries, or entire country organisations, whose integration into the Group, including processes, practices and reporting, has not been completed yet. The operating countries are also at very different development stages, which is why comprehensive data may not be available for all countries. Incomplete integration processes have a material impact on PHM's current reporting capabilities. The number of non-integrated units is sensitive information and not disclosed by the company. However, all of PHM Group's operating countries and units have been included in the Sustainability Statement, unless otherwise indicated in the narrative or in relation to certain KPIs.

Finland is ahead of the other operating countries in completing integration. In Sweden, Norway and Denmark, integration progressed according to plan compared to the previous year. In Germany, however, the integration effort did not yet fully begin in 2024. PHM Group expanded into Switzerland in June 2024 with the acquisition of Investis Group's Real Estate Services business.

PHM Group's revenue in 2024 was distributed as follows:



Subsidiaries included in this Sustainability Statement comprise all PHM Group Holding Oyj's / PHM Group Oy's subsidiaries, i.e., PHM Group Services Oy, PHM Finland Oy, PHM Sweden AB, PHM Norge AS, PHM Danmark ApS, PHM Deutschland GmbH and Hauswartprofis AG, except for German-based Groß-Sand Service GmbH, which is not consolidated in the Group's financial statements due to low ownership percentage. These subsidiaries are referred to in this Sustainability Statement as "operating countries", except for PHM Group Services Oy that represents the Group's support functions. PHM's operating countries have a total of 200 subsidiaries, i.e., operative units that provide property services to customers.

Due to the nature of the service industry, the most important upstream stakeholders in PHM Group's value chain are suppliers, which are covered in the double materiality assessment. The downstream value chain includes customers, which are also covered in the report under Customers and end-users.

PHM Group has not used an option to omit any information in this report due to intellectual property, know-how or results of innovation nor due to impending developments or matters in course of negotiation.

BP-2 Specific circumstances

Due to fast growth through acquisitions, different stages of maturity of country organisations, unfinished centralisation of certain management and reporting systems, and on-going integration processes, PHM Group's reporting involves a risk of inaccuracy, especially in terms of emissions reporting. In 2024, PHM Group made 31 acquisitions (29 in 2023 and 34 in 2022), which could have caused a sharp increase in reported absolute greenhouse gas emissions from the previous year. However, due to more precise carbon accounting data than in previous years, PHM Group's total emissions declined in 2024 compared to 2023. Over the past few years, PHM Group has focused on improving the quality of the database and emissions-related reporting, and the company will continue these efforts in the coming years. Improving carbon accounting helps PHM Group target its emission reduction measures more effectively.

In carbon accounting, PHM Group focuses primarily on receiving accurate and high-quality data on Scope 1 calculations. Regarding Scope 2 calculations, a certain level of uncertainty exists due to decentralised energy procurement in country organisations outside of Finland and Norway. PHM Group aims at centralising the electricity procurement in all of its operating countries during 2025, which will enable more accurate data collection in the future and increase the Group's use of emissions-free energy. Scope 3 calculations include the highest source of uncertainty, due to the partly spend-based calculation methods, unfinished reporting systems and integration processes. Depending on the category and availability of data, PHM Group extrapolated or estimated the missing Scope 3 emission sources based on turnover, number of employees and public statistics. PHM Group uses generally accepted and up-to-date emission factors in its carbon accounting. The calculations of Scope 3 emissions are not exact metrics, as the emission factors are rarely available directly from the suppliers and most of the suppliers do not provide ready-made CO2e-calculations of their products and services. PHM Group strives to receive reliable emission data from suppliers.

In this Sustainability Statement, PHM Group does not deviate from the medium- or long-term time horizons defined by ESRS 1 section 6.4. The Sustainability Statement does not contain forward-looking statements.

PHM Group has incorporated by a reference the following information in the statement:
- ESRS 2 MDR-P information regarding topical company politics reported in ESRS E1-2, S1-1, S4-1 and G1-1
- ESRS 2 MDR-T information regarding climate and environmental targets in ESRS E1-4 and social targets in S1-5 and S4-5
- ESRS E1-3 datapoint 29c ii reported in Environmental information – EU Taxonomy
- ESRS S1-3 datapoint 33 reported in ESRS G1-1
- ESRS S4-3 datapoints 25b-d reported in ESRS S1-3 and G1-1

PHM Group uses all phase-in provisions, except for S1-14, in accordance with Appendix C of ESRS 1 which are assessed as material and are meant for companies with over 750 employees during the financial year 2024.

This Sustainability Statement contains data points from other EU legislation as listed on the next page, but not from any other generally accepted sustainability reporting standards and frameworks than the Corporate Sustainability Reporting Directive.

Data points from other EU legislation

Disclosure requirements and related datapoint	Reference in the regulation on sustainability disclosures	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Page
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (27), Annex II		23
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		23
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				24
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicator number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (28) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) ii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (29) , Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	44
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		44
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		48
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex 1				Not material

Disclosure requirements and related datapoint	Reference in the regulation on sustainability disclosures	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Page
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				49
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Not material
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		51
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicator number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		51
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.			N/A
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			N/A
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		N/A

Disclosure requirements and related datapoint	Reference in the regulation on sustainability disclosures	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Page
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material
ESRS E3-4 Total water consumption in m 3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material
ESRS 2 SBM-3 – E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material
ESRS 2 SBM-3 – E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material
ESRS 2 SBM-3 – E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material
ESRS 2 SBM-3 – S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				54
ESRS 2 SBM-3 – S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				54

Disclosure requirements and related datapoint	Reference in the regulation on sustainability disclosures	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Page
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				56
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		56
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				56
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				56
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				58
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		60
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				60
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		53
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				53
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				62
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		62
ESRS 2 SBM-3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and number 13 Table #3 of Annex I				Not material
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and number 4 Table #3 of Annex 1				Not material
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material

Disclosure requirements and related datapoint	Reference in the regulation on sustainability disclosures	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Page
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				65
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		65
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				66
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				72
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				72
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		74
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				73

GOV-1 Governance

At the end of 2024, PHM Group's administrative, management and supervisory bodies comprised ten executive members in the Group Management Team and six non-executive members on the Board of Directors. Employees and other workers were not represented in the Group Management Team or on the Board of Directors.

There were four different nationalities represented on the Board of Directors. Three Board members were aged 30–50 and three were over 50 years of age. Various professional and academic backgrounds were represented on the Board. 17% of the Board of Directors were women in 2024. Each of the members of the Board of Directors held or has held memberships on other corporate Boards and has extensive experience in business management and governance. 100% of the members of the Board of Directors are independent.

Various professional and academic backgrounds as well as four different nationalities were represented in the Group Management Team consisting of professionals from both business and support functions, such as finance, legal, corporate responsibility, HR and IT. Each member of the Group Management Team has previous experience working in management positions before joining PHM Group. The Group Management Team's composition provides a comprehensive understanding and experience regarding the property services sector. Eight members of the Group Management Team were aged 30–50 and two were over 50 years old.

Gender distribution in number and percentage at top management level

Gender	Numbers of persons	Percentage
Women	2	20%
Men	8	80%
Total	**10**	**100%**

Risk management and internal controls

PHM Group's Management Team carries out a risk management assessment at least once a year. The risk assessment includes sustainability and corporate governance related risks. The assessment is reviewed by the Board of Directors. The aim of the annual risk analysis is to identify high-level impacts, risks and opportunities and draw up action plans to mitigate them. In addition, the Board of Directors confirms the risk management policy and discusses PHM Group's most significant risks and uncertainties at its meetings as necessary.

Risk management measures are planned on the basis of the risk assessment, including sustainability risks, and they are reviewed on a needs basis and updated by PHM Group's Management Team. The observations made regarding internal controls are also taken into account in the risk management process. Responsibility for the implementation of risk management lies with the management of the relevant business operations and PHM's Group-level support functions. PHM Group's Management Team coordinates the risk management process and is responsible for risk reporting, as well as for identifying risks and determining risk management measures in cooperation with the businesses and the Group's support functions. All PHM employees are required to be aware of and manage the risks within their respective areas of responsibility.

Internal control is part of PHM's governance and management. The responsibility for the organisation of the control function lies with PHM's Board of Directors and CEO. The chain of responsibility extends throughout the Group organisation, with every member of the organisation being responsible to their direct supervisor for carrying out applicable control measures and presenting their observations. The most significant internal control observations are also discussed by PHM Group's Management Team and PHM's Board of Directors.

Sustainability impact, risk and opportunity monitoring and management and PHM Group's operating principles and values are also integral aspects of the Group's governance. PHM Group's risks are categorised as follows:
- Risks related to business operations
- Risks related to the Group's financing
- Changes in the operating environment

Regulatory compliance risk management at PHM Group is a process of assessment, planning, administration and control that relates to the Group's operating environment, business operations, personnel, and sustainability. Risk management at PHM Group is part of the Group's strategy work, decision-making, and day-to-day management and operations. Sustainability risks are addressed as part of the overall risk management process.

The objective of PHM Group's risk management is to prevent and minimise the impacts of potential risks with regard to the achievement of the Group's targets and the implementation of the Group's strategy. Internal control and oversight are not delegated to any single management-level position or committee.

Risk reporting lines in PHM Group

Support functions play a crucial role in internal control and risk management, including sustainability and governance, and comprise Group Finance (reporting to Group CFO), Group Legal (reporting to Group CEO), Group Corporate Affairs (including sustainability function, reporting to Director of Group Corporate Affairs), Group HR (reporting to Group Director of People & Culture) and Group Procurement (reporting to Group CFO). These support functions report to a member of the Group Management Team, who in turn reports to the Group CEO.

Country organisations include risk management and internal control functions in, for example, their Finance, Legal, Sustainability, Compliance, HR or Procurement teams. These experts typically report to the Country Director and to Group functions in matrix. Dedicated controls and procedures are applied to the management of sustainability and governance impacts, risks and opportunities.

Sustainability expertise and management in PHM Group

Developing good governance and corporate responsibility is one of PHM Group's strategic cornerstones and the development is led by the Director of Group Corporate Affairs, who reports directly to the CEO. Setting targets related to material impacts, risks and opportunities is approved by the Group Management Team and progress is monitored by the Group Management Team and Board of Directors. Corporate responsibility issues are also discussed by the country-level management teams on a needs basis.

The Group Management Team oversees the organisation and competence development at the Group and country levels. The Group Management Team discusses resources and necessary skills at least once a year, for example, during the budgeting for the next year. Sustainability-related resources and skills are discussed during this process or on a needs basis outside of the budgeting period. The Board of Directors approves the budgeting for the upcoming financial year.

Based on the Group Management Team's extensive experience in the property services business, business development, the operating environment, global megatrends and in-depth understanding of sustainability matters, Group management is well positioned to assess material sustainability impacts, risks and opportunities. PHM Group possesses expertise in material sustainability topics through experience and know-how in climate, human resource and governance issues, both at management and support function levels. Continuous skills development and training are provided and outside support utilised on a needs basis.

The members of the Board of Directors also have sustainability expertise. PHM Group's owners comprise the funds managed by Norvestor, the Intera fund and the executive management. Both Norvestor and Intera, as owners, have a strong sustainability agenda and in-house expertise in their organisations.

GOV-2 Managing sustainability in governance

In the Group Management Team, the Director of Group Corporate Affairs is in charge of corporate responsibility, and brings matters forward to the Group Management Team and the Board of Directors concerning impacts, risks and opportunities when overseeing the company's strategy, its decisions on major transactions, and its risk management process, including whether they have considered trade-offs associated with those impacts, risks and opportunities.

PHM Group monitors the progress of corporate responsibility in the Group Management Team on a monthly basis. PHM Group's Board of Directors monitors the development of corporate responsibility at least once every six months. In this manner, the Group Management Team and the Board of Directors are kept informed about material impacts, risks and opportunities, implementation of due diligence, and results and effectiveness of policies, actions, metrics and targets.

One of the five cornerstones of PHM Group's strategy is Responsibility and good governance. The strategic projects under this cornerstone are defined by the Corporate Responsibility Strategy, targets and program, which will be updated in 2025 based on the double materiality assessment PHM Group conducted in 2024.

Sustainability topics discussed in the Group Management Team in 2024 included (examples of actions in brackets):
- CSRD regulation and reporting (requirements, roles and responsibilities)
- Double materiality assessment (approval of the assessment)
- Economic sanctions policy, screening and training (approval of the policy and implementation)
- Compliance on Group Code of Conduct and policies and related training (specifying the role of training in integration process and related technicalities)
- Workplace safety development and KPIs (developing workplace safety reporting and following up on KPIs)
- CO_2-emissions reductions (roadmap, especially regarding fleet and procurement of electricity)
- Employee satisfaction (results of the survey and development plans)
- Customer satisfaction (results of the survey and development plans)
- Preparing for Corporate Sustainability Due Diligence Directive (CSDDD) requirements (understanding of requirements)

GOV-3 Sustainability in incentive schemes

In 2024, PHM Group did not have incentive schemes or remuneration policies linked to sustainability or climate matters. The performance of the Group Management Team or the Board of Directors was not assessed against the GHG emission reduction targets.

GOV–4 Sustainability due diligence

In 2024, PHM Group did not have a sustainability due diligence process that would correspond to the requirements outlined in ESRS. PHM Group will start developing due diligence matters in 2025.

GOV–5 Risk management in sustainability reporting

PHM Group's centralised support functions and country organisations contribute to the company's sustainability reporting. The Group Corporate Affairs function oversees the reporting process and has the expertise to instruct data providers and assess the quality of reported data.

PHM Group also uses external advisors to safeguard the quality of reporting and compliance with regulations. PHM Group's Board of Directors oversees the overall quality of financial and non-financial reporting and approves the Sustainability Statement as part of the Board of Director's Report. PHM Group's Sustainability Statement was externally assured in accordance with ISAE 3000 in 2024.

In 2024, the main risks identified in the sustainability reporting process included:

- Due to the Group's strong acquisition-driven growth and the different development stages of the operating countries, at the time of reporting PHM Group was not able to report the data of all its operating countries in a fully consistent manner. Incomplete integration processes, for example, had a material impact on PHM's reporting capabilities.
- PHM Group's carbon accounting was still lacking comprehensive primary data, and data collection procedures were not entirely harmonised in the operating countries, which involves a risk of error. In addition, some CO_2 emissions reported in this Sustainability Statement were extrapolated or estimated due to different data production capabilities of the operating countries, which may have affected the accuracy of the results.
- Various experts from various operating countries were involved in producing data and content for this Sustainability Statement. Despite appropriate diligence, there was a risk of human error that may have affected some of the data presented in this Sustainability Statement.

The findings of internal controls, risk assessment and the assurance process in terms of sustainability reporting are discussed and handled in the Group Management Team and Board of Directors as necessary. The Group Corporate Affairs function is responsible for taking corrective actions to improve the quality of reporting. The findings regarding the quality of sustainability reporting are typically reported to the Group Management Team and the Board of Directors, as necessary, once a year.

The risk assessment approach and prioritisation in terms of the sustainability reporting process is based on the individual assessment of PHM Group's sustainability experts. An exact process and methodology were not defined or documented in 2024.

SBM-1 Business model and strategy

PHM Group's business model

PHM Group's mission is to take care of people by taking care of their living environment. The company serves its customers by providing a broad range of property services locally in Finland, Sweden, Norway, Denmark, Germany and Switzerland. PHM Group's property services strive to increase the safety and well-being of over a million residents and also to affect the value of their properties in a positive manner.

PHM Group focuses on the residential property services business. The main customer groups are housing companies (boards of housing companies), institutional customers and tenants in their buildings, and commercial properties and B2B customers.

PHM Group offers a broad range of essential services for its customers' properties and their surroundings. The current and expected benefits of PHM Group's services for customers are increased safety and well-being of end-users, typically residents of the properties. The majority of PHM Group's services are contractual services that are recurring in nature.

Core contractual & recurring add-on services:
- Indoor maintenance
- Outdoor maintenance
- Cleaning services
- Property management
- Financial management

Add-on & supplementary services:
- Technical services
- Landscaping and green services
- Sewer maintenance and transport services
- Special cleaning
- Other services

PHM Group's strategy

Responsibility and Good Governance is one of PHM's five strategic cornerstones. The sustainability focus areas under this strategic priority are: 1) good governance, 2) a safe and diverse workplace, and 3) the climate and the environment. All these focus areas include different development projects. The main challenges identified in these focus areas include, for example, PHM Group's rapid growth, different levels of maturity in different operating countries, and the availability of resources, competencies and data in different countries. These challenges are overarching in a way that they impact all areas of sustainability development.

PHM Group as an employer

PHM Group operates in a labour-intensive industry. Satisfied and committed employees provide the best service to customers. PHM Group offers diverse duties, supports the career development opportunities of employees and looks after their well-being. The company provides its employees with healthy and safe working conditions.

In 2024, PHM Group offered work and a secure income for 13,565 employees in six markets.

PHM Group as a buyer

PHM Group is a service company that does not have industrial production. Items needed for the production of PHM Group's services are sourced from various suppliers, of which the major categories are typically centralised under Group or country-level procurement, but many are sourced locally by local operative units. Delivering services to PHM Group's customers typically entails the use of different vehicles, tools and equipment. In 2024, PHM Group's fleet consisted of around 7,000 vehicles, for example vans, passenger cars, trucks and snowploughs. In 2024, the company bought products and services for the amount of EUR 350 million.

PHM Group positions itself in the company's value chain as a service provider between suppliers in the upstream and customers in the downstream, which are many times also the end-users of the service. The suppliers are an essential part of the value chain by providing e.g., the necessary equipment and fleet for PHM Group.

PHM Group as an investment

One of PHM Group's strategic cornerstones is acquisition-driven growth, which creates current and expected benefit and value for owners as a "buy-and-build" case. To ensure the company's ability to execute acquisitions, in 2024, PHM Group had a EUR 300 million floating rate bond, a EUR 340 million fixed-rate bond and a EUR 300 million Term Loan B. PHM Group also had a committed super senior revolving credit facility of EUR 92.5 million.

PHM Group is committed to growing in a profitable manner. In 2024, PHM Group's revenue was EUR 946 million (LFL EUR 1,127.7 million), organic LFL revenue growth was 3% and organic LFL EBITDA growth 9%.

In 2024, PHM Group did not report a breakdown of total revenue, as included in its financial statements, by significant ESRS sectors. Also, PHM Group did not have activities in significant ESRS sectors that would have given rise to intercompany revenues, or which may be connected to material impacts.

PHM Group as a growth company

PHM Group acquired 31 companies in 2024. PHM strengthens, for example, the acquired units' management, support functions, operational effectiveness, sustainability approach and IT capabilities and offers a digital business platform, PHM Digital. The company's scalable cloud platform provides modern and flexible integration capabilities for operational efficiency, customer communications, and increased sales.

In June 2024, PHM Group expanded to Switzerland by acquiring the Real Estate Services business of Investis Group. The acquired companies offer property management and maintenance services for residential and commercial properties in Switzerland, along with services related to asbestos analysis, which was a new service in PHM Group's offering in 2024.

SBM-2 Stakeholders

The purpose of stakeholder engagement is to maintain good stakeholder relationships, develop business and service offering, give and receive feedback regarding business operations, and identify issues and corrective measures. Outcomes of stakeholder engagement are taken into account in business planning and development processes in e.g., service quality considerations, service development processes, corporate development, and resourcing. Surveys, research, interviews and normal day-to-day interaction with different stakeholders provide feedback to PHM's business operations and support functions in an ongoing manner.

PHM Group’s key stakeholders include:
- customers
- residents
- employees
- owners
- investors and financiers
- suppliers and subcontractors

The company regularly conducts customer satisfaction surveys, and the Net Promoter Score (NPS) is one key indicator of customer satisfaction. The company also carries out an annual personnel survey to measure employee satisfaction and work ability. Employee satisfaction is also measured by means of other indicators on a unit-specific basis as necessary. PHM Group conducts a double materiality assessment to identify sustainability impacts, risks and opportunities from the point of view of its stakeholders.

In 2024, PHM conducted a double materiality assessment for the first time. When PHM Group interviewed its employees for the double materiality assessment, several human rights-related topics were covered, including matters related to diversity, training, working conditions, salary and discrimination.

Feedback from customers is also gathered through surveys, interviews, and routine interactions, providing ongoing insights for operative and support functions. In 2024, PHM Group did not identify such feedback from employees or other stakeholders that would require amending the company's current strategy or business model.

In 2024, as an outcome of the double materiality assessment, PHM Group assessed its business to only have positive material impacts on its customers and end-users.

PHM Group's majority owners, Norvestor and Intera, are represented on the Board of Directors, and interaction with these stakeholders occurs in relation to the normal Board agenda. PHM Group interacts with investors and financiers in, for example, quarterly result presentations. With key suppliers and subcontractors, PHM Group interacts as part of typical relationship management or if an issue occurs.

The results of Group-wide customer and personnel surveys are presented to both the Group Management Team and the Board of Directors, and country-specific results to Country Management Teams. Similarly, any significant deviations of KPIs or any significant issues are reported to the Group Management Team and the Board of Directors.

Sustainability-related impacts, risks and opportunities are handled as part of the Group risk management process, which is conducted by the Group Management Team and reported to the Board of Directors. In addition, the results of the double materiality assessment are approved by the Group Management Team.

SBM-3 Double materiality assessment

PHM Group has identified its business and operations to have material sustainability impacts, risks and opportunities related to climate change, the Group's own workforce, end-users of its services and the business conduct of the organisation. All material impacts of PHM Group take place through the company's own activities in the value chain and cover all people in its own workforce. All material impacts, risks and opportunities were identified in PHM Group's double materiality assessment in Q2 2024. Time horizons used in the assessment were short term (within 1–2 years/reporting period), mid term (2–5 years) and long term (beyond 5 years). PHM has not updated its strategy or business model after the assessment.

Topic	Sub-topic	Sub-sub-topic	Type of impact, risk or opportunity	Description of impact, risk or opportunity	Value chain/ Own operation	Time Horizons: Short term Mid term Long term	Examples of future plans
E1: Climate change							
E1: Climate change	E1.1. Climate change adaptation	N/A	Financial risk	Changing weather conditions makes outdoor maintenance unpredictable, which may negatively impact net sales and profitability. Diminishing amount of snow may impact business in particular.	Own operations	Long term	Regular consideration of the service offering and pricing
E1: Climate change	E1.1. Climate change adaptation	N/A	Financial opportunity	Extreme weather conditions (e.g., flooding, heat waves, storms) will pose new requirements for customers' properties, which may positively impact sales and lead to expanding PHM Group's service portfolio.	Own operations	Mid term	Regular consideration of the service offering and pricing
E1: Climate change	E1.2. Climate change mitigation	N/A	Negative impact	Sizeable fleet (vans, cars, trucks, snowploughs, light machinery) is PHM Group's main source of GHG emissions released in the atmosphere, because the fleet currently runs mainly on fossil fuels. The fleet is used by employees travelling to customer premises with their equipment to perform property services duties.	Own operations	Short term	Developing the Group-wide transition plan to electric vehicles
E1: Climate change	E1.2. Climate change mitigation	N/A	Negative impact	Due to country-specific legislation or tenancy, energy procurement is not fully under the company's control, which affects the possibility of procuring fossil-free electricity and thus global warming. Energy is mainly used in offices, units and depots.	Own operations	Short term	Centralising energy procurement on a country-level and purchasing emissions-free energy

Topic	Sub-topic	Sub-sub-topic	Type of impact, risk or opportunity	Description of impact, risk or opportunity	Value chain/ Own operation	Time Horizons: Short term Mid term Long term	Examples of future plans
E1: Climate change	E1.2. Climate change mitigation	N/A	Positive impact	PHM Group has started the process of electrifying its fleet to reduce the company's effect on global warming, although PHM's country organisations are in different stages in the process.	Own operations	Mid term	Developing the Group-wide transition plan to electric vehicles
E1: Climate change	E1.2. Climate change mitigation	N/A	Negative impact	Availability of some emission-related data due to high acquisition rate and ongoing integration processes poses challenges to accuracy in carbon accounting and setting emission reduction targets. This may cause inaccuracy in PHM Group's carbon accounting and, thus, the Group may emit more GHGs to the atmosphere than assumed.	Own operations	Short term	Continuous development of reporting capabilities especially in the country organisations
E1: Climate change	E1.2. Climate change mitigation	N/A	Financial risk	Growing customer demands for energy-efficiency and/or low-carbon services may negatively impact business.	Own operations	Mid term	Regular consideration of the service offering and pricing
E1: Climate change	E1.2. Climate change mitigation	N/A	Financial risk	Responding to restrictions and regulations around climate issues, e.g., shift to electric vehicles, may pose an economic challenge.	Own operations	Long term	Developing the Group-wide transition plan to electric vehicles
E1: Climate change	E1.2. Climate change mitigation	N/A	Financial opportunity	The younger customer generation may put more emphasis on sustainability in property services in the residential housing company segment, which may create opportunities and lead to new service offerings.	Own operations	Long term	Regular consideration of the service offering
E1: Climate change	E1.2. Climate change mitigation	N/A	Financial risk	The younger customer generation may put higher pressure on sustainable property services in the residential housing company segment, which may lead to adjusting operations and/or services.	Own operations	Long term	Regular consideration of the service offering
S1: Own workforce							
S1: Own workforce	S1.1. Working conditions	S1.1.3. Adequate wages	Positive impact	PHM Group provides work and sufficient income for a large number of people, some also in a vulnerable socioeconomic position.	Own operations	Short term	Continue actions to improve employee experience and attract new employees
S1: Own workforce	S1.1. Working conditions	S1.1.8. Health and safety	Negative impact	PHM Group's employees may be exposed to different work-related injuries and safety hazards due to the nature of the operative work, such as icy and slippery yards and driveways.	Own operations	Short term	Developing safety management and harmonisation in country organisations
S1: Own workforce	S1.2. Equal treatment and working opportunities for all	S1.2.5 Diversity	Positive impact	PHM Group is a significant employer and its personnel consists of many nationalities and language groups. For immigrants, the work may have a positive impact in integrating to the society.	Own operations	Short term	Continue actions to improve employee experience and attract new employees

Topic	Sub-topic	Sub-sub-topic	Type of impact, risk or opportunity	Description of impact, risk or opportunity	Value chain/ Own operation	Time Horizons: Short term Mid term Long term	Examples of future plans
S1: Own workforce	S1.2. Equal treatment and working opportunities for all	S1.2.1. Gender equality and equal pay for work of equal value	Negative impact	PHM Group's gender ratio is skewed, both in leadership positions and operative personnel, which may sustain male-dominant practices and power positions. The entire property services industry, including PHM Group, is male-dominant especially in e.g., property maintenance and technical services.	Own operations	Short term	Pay more attention to recruitment practices, continue training, especially diversity and anti-discrimination training
S1: Own workforce	S1.2. Equal treatment and working opportunities for all	S1.2.1. Gender equality and equal pay for work of equal value	Negative impact	PHM Group acknowledges a possible gender pay gap, which may cause unintended gender-based discrimination. The information is currently somewhat incomplete due to e.g., incomplete harmonisation of payroll in operating countries.	Own operations	Short term	Preparing for Pay Transparency Directive
S1: Own workforce	S1.2. Equal treatment and working opportunities for all	S1.2.2. Training and skills development	Positive impact	PHM Group's employees participate in training regarding their area of expertise, also some employees are unskilled and trained to the profession on the job. Employees performing tasks with safety hazards obtain legal licenses to work on those tasks. Skills development enhances people's capabilities and professionalism.	Own operations	Short term	Continue training programmes and training on the job
S1: Own workforce	S1.2. Equal treatment and working opportunities for all	S1.2.2. Training and skills development	Positive impact	PHM Group's policies and training programmes aim at ensuring equal skills development possibilities for all employees performing similar work.	Own operations	Short term	Continue training programmes and training on the job, Continue Code of Conduct training and other training sessions
S1: Own workforce	S1.2. Equal treatment and working opportunities for all	S1.2.5. Diversity	Negative impact	PHM Group's employs a substantial number of people with different backgrounds, nationalities and languages. Lack of common language and different ethnicities may cause discrimination among the teams.	Own operations	Short term	Continue Code of Conduct training and other training, especially diversity and anti-discrimination training
S1: Own workforce	S1.2. Equal treatment and working opportunities for all	S1.2.5. Diversity	Financial opportunity	PHM Group provides a diverse workplace for people with different backgrounds. Immigration is seen as an opportunity to obtain a motivated workforce.	Own operations	Short term	Continue actions to improve employee experience and attract new employees
S4: Consumers and end-users							
S4: Consumers and end-users	S4.1. Information-related impacts for consumers and/or end-users	S4.1.3. Access to (quality) information	Positive impact	PHM Group helps its customers to protect the value of their properties. PHM Group offers property management and financial management services in all operating countries except Finland and, thus, supports its customers' economic sustainability.	Downstream value chain	Short term	Continue improving expertise and consulting for customers
S4: Consumers and end-users	S4.2. Personal safety of consumers and/or end-users	S4.2.1. Health and safety	Positive impact	PHM Group increases the safety, well-being and living comfort of over one million residents in their properties through its service offering. PHM Group's property services have positive impacts in all PHM's operating countries and all types of residential properties.	Downstream value chain	Short term	Continue developing the quality of PHM's services

Topic	Sub-topic	Sub-sub-topic	Type of impact, risk or opportunity	Description of impact, risk or opportunity	Value chain/ Own operation	Time Horizons: Short term Mid term Long term	Examples of future plans
G1: Business conduct							
G1: Business conduct	G1.1. Corporate culture	N/A	Positive impact	PHM Group acquires approximately 30 companies annually. Typically, the employees of acquired companies continue in their work. PHM Group also aims for organic growth with each acquired company.	Own operations	Short term	Continue with PHM's M&A and integration strategy
G1: Business conduct	G1.1. Corporate culture	N/A	Positive impact	PHM Group's policies apply to all its companies. PHM Group increases the awareness of environmental, social and governance sustainability within the acquired companies, bringing even the small units under ESG regulation, which raises the standard for the entire industry.	Own operations	Short term	Continue with PHM's M&A and integration strategy, and strengthen ESG expertise in the Group
G1: Business conduct	G1.1. Corporate culture	N/A	Positive impact	PHM Group integrates the acquired companies into its strategy and systems, develops them and supports their growth and profitability. This helps ensure the livelihoods of its employees.	Own operations	Mid term	Continue with PHM's M&A and integration strategy
G1: Business conduct	G1.6. Corruption and bribery	G1.6.1. Prevention and detection including training	Positive impact	PHM Group has a well-established due diligence process for acquisitions, which reduces the risks of corruption and other misconduct. Transparency and compliance among acquired companies increases, which improves working conditions and helps secure the livelihoods of employees.	Own operations	Short term	Continue with PHM's M&A and integration strategy

Current and anticipated effects of material impacts, risks and opportunities on business model, value chain, strategy and decision-making

The sustainability impacts, risks and opportunities identified in PHM Group's double materiality assessment did not immediately pressure the company to change its business model, strategy or decision-making in 2024 or in the very short-term. Any potential changes to e.g., Group strategy will be assessed in 2025.

The impacts, risks and opportunities identified in 2024 in terms of people, governance and the environment are factors affecting PHM Group's competitiveness and efficiency and are addressed as part of normal business planning. In 2024, PHM Group did not yet make a detailed plan of how it will respond to all material impacts, risks and opportunities should they occur in the long term. However, climate-related impacts, risks and opportunities in particular may change customers' requirements towards service providers in the long term. For example, the next generation taking over the boards of the housing companies may emphasise sustainability criteria more in their purchasing decisions, which may accelerate e.g., the need for phasing out fossil fuels.

PHM Group's business model and focus on residential customers exemplify resiliency with a high share of contracted or re-occurring revenue with predictable growth due to the essential nature of the services.

The structural resilience drivers

Volume and price resiliency:
- Essential services are needed regardless of macro cycle

Fragmented customer base:
- Small housing company customers
- Low bargaining power given small size of customer

Low-cost and high-interest services:
- The cost per tenant for property services is relatively small, whereas quality is important for living comfort, making quality the number one purchasing criteria over price
- The customer base is very sticky and a low percentage change contracts every year

Low threat of wide tenders:
- The fragmented market makes pooling less likely
- The housing board is the ultimate decision maker

The resilience drivers, to some extent, protect PHM Group from major economic fluctuations, geopolitical turbulence and sustainability-related impacts and risks due to e.g., the essential nature of the services offered by the company and the very sticky residential customer base. PHM Group is well-positioned to develop its service offering for residential customers depending on the development of customers' needs.

PHM Group did not conduct a qualitative analysis of resilience of its strategy and business model immediately after completing its double materiality assessment. Any such potential analyses will be conducted in 2025 on a needs basis.

Current financial effects of material risks and opportunities on financial position, financial performance and cash flows

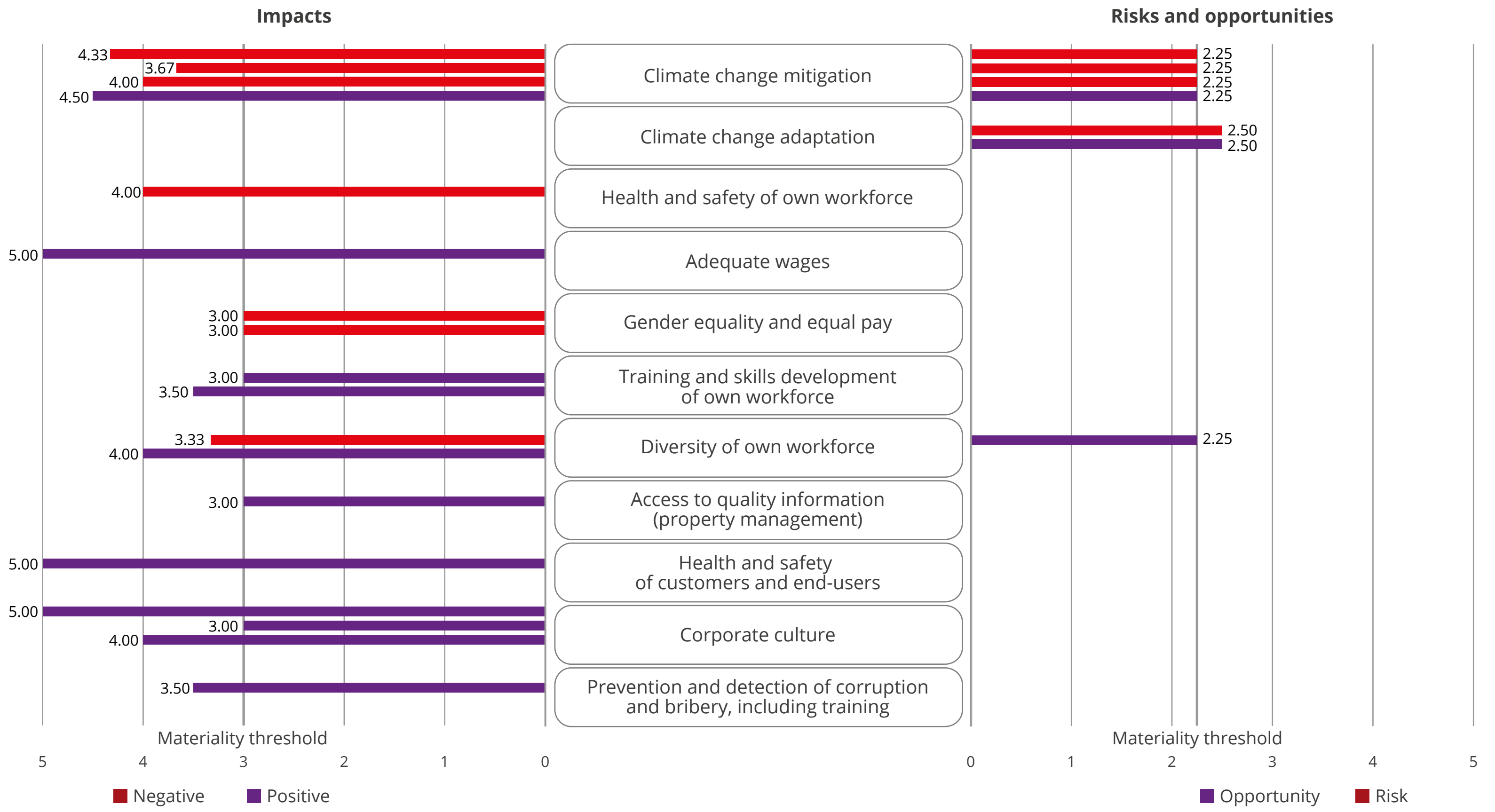
In 2024, PHM Group did not identify financial effects of material impacts, risks and opportunities on financial position, financial performance and cash flows or material risks and opportunities for which there is a significant risk of material adjustment within next annual reporting period to carrying amounts of assets and liabilities reported in related financial statements.

Time horizon and changes to material impacts, risks and opportunities

PHM Group considers most of its material sustainability impacts to take place in the short term. However, the company estimates that the impact it has on the growth and profitability for the acquired companies will materialise in the medium term. In addition, phasing out of fossil fuels and decreasing emissions will take up to five or more years.

PHM Group conducted its double materiality assessment in accordance with CSRD/ESRS for the first time for the financial year 2024. Therefore, there were no changes to material impacts, risks and opportunities compared to the previous reporting period. PHM Group has not identified any entity-specific impacts, risks and opportunities.

Double materiality assessment graph



IRO-1 Double materiality assessment process

Methodology of the double materiality assessment

In 2024, PHM Group's double materiality assessment process consisted of four steps: defining the value chain, stakeholder analysis, impact assessment, and identification of financial risks and opportunities. The list of sustainability issues covered by the ESRS was taken into account when conducting the assessment.

The double materiality assessment was carried out by listing the material impacts, risks and opportunities, linking them to the corresponding topics, sub-topics and sub-sub-topics in accordance with the ESRS. PHM Group's business context, operations and service offerings were mapped by going through the PHM Group's public and internal documents. The understanding of the sustainability impacts of PHM Group's business was deepened through discussions with internal and external experts and the assumption was made that the relevant persons selected for the evaluation process had sufficient knowledge of the company or its services to be involved in the process.

PHM Group will revise the double materiality assessment in 2025.

Stakeholder engagement and internal expertise in the double materiality assessment

The assessment of the relevant impacts, risks and opportunities was deepened by conducting stakeholder interviews. The interviewees were selected to broadly represent the PHM Group. The interviewees represented several PHM countries, Group Management Team members and employees at different expertise levels, representing both the Group and operative units, the Board and majority owner of the Group, customers from different segments and suppliers.

The ideas and comments from the interviews were grouped by environmental, social and governance topics and within those categories further grouped in three different themes: positive and negative impacts mentioned, risks and opportunities mentioned, and other issues mentioned in the interviews. After conducting all interviews, the raised issues were narrowed down under main issues: key impacts, key risks and opportunities and other findings. These key issues and comments relating to them were further assessed together with internal considerations of the company's impacts, risks and opportunities using time horizons, input parameters and thresholds.

Time horizons, input parameters and thresholds in the assessment

PHM Group’s sustainability and other relevant experts conducted targeted evaluations of financial risks and opportunities topic-by-topic. The identification of risks and opportunities considered the Group’s personnel, sales and costs, investments, governance and access to finance. PHM Group utilised its own risk evaluation scale to quantify risks.

Impacts, risks and opportunities were assessed according to the following time horizons: short term (within 1–2 years/ reporting period), mid term (within 2–5 years) or long term (beyond 5 years). Impacts, risks and opportunities were identified both at the scale of PHM Group's own operations and at the upstream and downstream ends of the value chain. This was done to understand specifically which impacts are due to PHM Group's strategy and business model and which are due to the nature of its business relationships. The threshold was analysed by both PHM Group's experts and management and selected so that the impacts that emerge as material are the most serious and noteworthy for PHM Group. Input parameters for identifying material impacts were e.g., impact scale, scope, irremediability, likelihood, and relation to human rights. Input parameters for identifying material risks and opportunities were e.g., time horizon, magnitude and likelihood.

Identifying, assessing and prioritising potential and actual impacts on people and the environment were assessed as part of the double materiality assessment, which also determines PHM Group's sustainability focus areas and the Corporate Responsibility Strategy, targets and action plan. PHM Group acknowledges the direct connection between material positive and negative impacts and financial risks and opportunities and the causality between potential impacts and the future financial effects.

PHM Group's risk management and internal controls, which also apply to double materiality assessment, are described in ESRS 2 GOV-1 on page 23 of this Sustainability Statement.

Linking risk management and material impacts, risks and opportunities

PHM Group's business, e.g., services, customers, business model, supply chain, business relationships and operating environment, is quite similar in all its operating countries: Finland, Sweden, Norway, Denmark, Germany and Switzerland. Any specific heightened risks of adverse impacts were not identified in 2024, but they are discussed with business leaders and specialists in the operating countries on a needs basis. In the double materiality assessment, for example, potential adverse impacts of PHM Group's activities, business relationships, geographies or other factors are discussed and analysed. In addition, PHM Group's risk management process is to prevent and minimise the impact of potential risks with regard to adverse impacts on people and the environment and to the achievement of PHM's targets and the implementation of the Group's strategy.

The processes of the double materiality assessment and risk assessment consider both own operations and business relationships relating to potential adverse impacts on people or the environment.

At PHM Group, identifying, assessing and managing sustainability impacts and risks is fully integrated into the overall corporate risk management process. In addition, sustainability impacts, risks and opportunities are separately assessed as part of the double materiality assessment, which are taken into account in the corporate risk assessment process.

The double materiality assessment was a new process, and it did not affect corporate risk management assessment in 2024.

Defining materiality (ESRS 2 IRO-2)

Material information disclosed in this report was determined based on the double materiality assessment PHM Group conducted in accordance with the ESRS. PHM Group's sustainability topics defined as material have either met criteria defined for impact materiality, financial materiality or both. The threshold for determining the materiality of sustainability impacts was 3.00 in negative and positive impacts. Originally the financial materiality threshold was set to 3.00, but with that threshold, not many risks and opportunities were classified as material. Thus, the threshold was lowered to 2.25, and material financial risks and opportunities presented in this Sustainability Statement were defined.

MDR-P Policies

Developing good governance and corporate responsibility is one of PHM Group's strategic cornerstones. Therefore, PHM Group has created a Corporate Responsibility Strategy by which the company focuses particularly on three areas: good governance, a safe and diverse workplace, and the climate and the environment. PHM Group has several policies which cover the material sustainability impacts of the Group. The policies are set out in topical disclosure requirements ESRS E1-2, S1-1, S4-1 and G1-1.

As a growth company with a very active M&A agenda, PHM Group constantly has subsidiaries whose integration into the Group has not been completed yet. The operating countries are also at very different development stages, which is why in the Group there are companies or operating countries where all policies, strategies and action plans were not yet implemented in 2024.

PHM Group entered into Switzerland in June 2024 by acquiring the Real Estate Services business of Investis Group. The Swiss businesses were almost entirely outside the scope of the PHM Group's governance and policy integration during 2024. The Group's whistleblowing channel was implemented in Switzerland in 2024.

Based on the results of the double materiality assessment conducted in 2024, PHM Group will assess its Corporate Responsibility Strategy, targets and action plan during 2025. The need to update or amend existing policies or create new ones will be assessed at the same time.

The Group CEO is the most senior level in the PHM Group's organisation that is accountable for the implementation of the policies.

MDR-M Sustainability metrics

The most important metrics used by PHM Group to evaluate performance and effectiveness, in relation to material impact, risk or opportunity include:

- *Percentage of employees that have conducted the Code of Conduct training*
  Methodology: Number of completed training sessions divided by headcount x 100. Limitations to methodology include incomplete integration processes and different training reporting capabilities in PHM Group's operating countries/companies/units.

- *Number of workplace accidents*
  Methodology: Data used to report the number of workplace accidents is retrieved from PHM Group's safety reporting systems and insurance company data. Limitations to methodology include incomplete integration processes and different safety reporting capabilities in PHM Group's operating countries.

- *Total recordable incident frequency (TRIF)*
  Methodology: (Number of all accidents x 1,000,000) / working hours per company (holidays, sick leave days etc. are not included). Limitations to methodology include

incomplete integration processes and different safety reporting capabilities in PHM Group's operating countries.

- *Lost time incident frequency (LTIF)*
  Methodology: (Number of accidents resulting to sick leave x 1,000,000) / working hours per company (holidays, sick leave days etc. are not included). Limitations to methodology include incomplete integration processes and different safety reporting capabilities in PHM Group's operating countries.

- *Employee survey*
  Methodology: Online survey for all customers in all PHM Group's operating countries. Limitations to methodology include incomplete integration processes in PHM Group's operating countries/companies/units.

- *Net Promoter Score (NPS®)*
  Methodology: Online survey, delivered by email, for all customers in all PHM Group's operating countries. Limitations of the methodology include the lack of customer contact information and a low response rate.

- *Direct greenhouse gas emissions (Scope 1), tCO_2e*
  Methodology: Calculation of mobile combustion of all vehicles owned or controlled by the company. The calculations are mainly based on data on fuel litres, with a small error margin leaving out single fuel purchases made outside of PHM Group's contractual fuel providers.

- *Indirect greenhouse gas emissions (Scope 2), tCO_2e*
  Methodology: Calculations of energy consumption are made by collecting the consumption data and different sources of energy purchased by country organisations. Since the electricity purchase was only centralised in Finland and Norway in 2024, except in units which have their electricity provided as part of their rental agreement, the data is spread across 200 business units in several countries. Thus, PHM Group is not able to gather completely accurate and comprehensive data. Extrapolations were done to complement the actual consumption data. As PHM Group operates in the property services industry and does not have production facilities, energy is not the main source of the company's emissions. In the end of 2024, the process was started to centralise energy procurement in operative countries other than Finland and Norway to increase the use of energy from emissions-free sources and to strengthen reporting capabilities.

- *Other indirect greenhouse gas emissions (Scope 3), tCO_2e*
  Methodology: In 2024, calculations of Scope 3 emissions were made by collecting data from PHM Group's country organisations on the essential products and services purchased by combining activity- and spend-based methods depending on the data availability, either directly from the suppliers or Group- and country-level accounting. Public statistics were also used to estimate emission categories the company was not able to acquire accurate enough data for, such as waste management and employee commuting.

- *Total emissions (Scope 1–3), tCO_2e*
  Methodology: Calculation of Group-wide emissions by summing country-level emissions.

- *Emission intensity (Scope 1, 2 and 3 emissions relative to reported revenue)*
  Methodology: Calculation of Group-wide emissions by diving the Scope 1–3 total emissions with the Group's reported revenue/1,000,000. The same limitations apply as in all emissions calculations.

PHM Group also has other metrics that are reported in this Sustainability Statement but not identified above as the most material ones. Some metrics are disclosed in this Sustainability Statement, some metrics are used only for internal follow-up and development purposes. No other external body than assurance provider provides validation for PHM Groups metrics identified in this Sustainability Statement.

MDR-T Monitoring sustainability targets

PHM Group's targets on sustainability matters have been identified in three focus areas: good governance, safe and diverse workplace and climate and the environment, and the focus areas also reflect the results of the double materiality assessment. These focus areas include public targets and targets that are meant for internal development. Public targets related to good governance are presented below. Targets related to safe and diverse workplace are presented in disclosure requirement ESRS S1-5 and targets related to climate and the environment are presented in disclosure requirement ESRS E1-4.

In addition, PHM has identified a material sustainability matter, which is mainly core business related and ultimately concerns customer satisfaction. This material matter is currently outside of PHM's Corporate Responsibility Strategy due to its core business and company mission related nature, but it is described in disclosure requirement ESRS S4-5.

Good governance

PHM Group's target is that 100% of its employees conduct the Code of Conduct online training as part of either induction or integration. This target is aligned with the policy objectives of, for example, ethical business conduct, anti-discrimination, anti-corruption, and abiding by competition and privacy laws. The target is not applicable to any specific time-period. Stakeholders outside of PHM Group's Management Team have not been consulted in setting the target.

The target applies to all employees of integrated companies within PHM Group. However, the online training was available only for PHM Group's employees in Finland in 2024 due to different levels of maturity in e.g., IT and HRM system development in other PHM Group operating countries.

Progress towards the target is measured annually based on data from PHM Group's e-learning platform. In 2024, the progress toward this target was not entirely satisfactory, a total of 47% of PHM Finland and the Group's support function employees had successfully completed the Code of Conduct training. In particular, the capability building of operating countries outside of Finland in introducing the e-learning platform and the Code of Conduct training was somewhat lagging behind the schedule. PHM Group expects access to the Code of Conduct training to improve in 2025.

In 2024, there were no significant changes in targets and corresponding metrics or underlying measurement methodologies, significant assumptions, limitations, sources and processes to collect data adopted within the defined time horizon.

2. Environmental information

EU taxonomy

In this section, PHM Group discloses information in accordance with the Taxonomy Regulation (2020/852/EU) and the Delegated Acts supplementing the regulation.

Pursuant to the Taxonomy Regulation, companies that are subject to an obligation to report in accordance with the Corporate Sustainability Reporting Directive (EU) 2022/2464 are required to observe the reporting requirements set out in the Taxonomy Regulation. PHM Group is subject to this obligation.

The EU's sustainable finance classification system, known as the EU taxonomy, aims to establish criteria for what kind of economic activities are environmentally sustainable, and thereby direct money to sustainable activities. Sustainable finance and sustainable capital markets are necessary for the achievement of the EU's climate and environmental objectives.

The taxonomy eligibility of companies is examined by determining whether their business operations fall within the scope of the economic activities described in the taxonomy. Taxonomy alignment is examined by comparing a company's economic activities with the technical screening criteria of the EU taxonomy. In addition, companies must show that the minimum social safeguards are met in its operations. Legally valid screening criteria have been published for economic activities that promote climate change mitigation and adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

PHM Group's business operations were identified to contribute to the climate change mitigation and pollution prevention and controlling objectives. Therefore, PHM Group's taxonomy eligibility and taxonomy alignment have been evaluated against the criteria concerning climate change mitigation and pollution prevention and controlling. PHM Group carried out its third assessment of taxonomy eligibility and taxonomy alignment for its activities in 2024.

In 2024, PHM Group acquired two Swiss companies specialised in asbestos analysing: Analysis lab AG and Aatest AG, and their business operations fall within the scope of activities described in taxonomy and contribute to taxonomy reporting in terms of pollution prevention and controlling.

Taxonomy eligibility

PHM Group reports taxonomy at the Group level. The assessment has been carried out with the company's finance and sustainability departments and taxonomy experts based on an analysis of the company's business. In examining taxonomy eligibility, four economic activities were identified that are relevant to PHM Group's business operations:

- 7.3. Installation, maintenance and repair of energy efficiency equipment,
- 7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings,
- 9.3. Professional services related to energy performance of buildings,
- 2.4. Remediation of contaminated sites and areas.

Activity 7.3. was interpreted as particularly including the installation and replacement of energy-efficient lighting sources carried out by PHM Group's units, the installation and maintenance of heating, water and ventilation systems, and the installation of low-energy water supply solutions.

Activity 7.5. includes the installation and maintenance of thermostats, smart thermostat systems and sensor devices by PHM Group’s units, as well as the maintenance of energy management systems at properties, lighting control systems, and smart electricity meters, among other things.

Activity 9.3. includes, in particular, energy surveys and energy efficiency assessments carried out by PHM Group's units as part of technical property services.

Activity 2.4. includes asbestos laboratory analysis of samples to identify the nature and concentration of pollutants.

Taxonomy alignment

To assess taxonomy alignment, PHM Group has evaluated whether the criteria for making a substantial contribution to climate change mitigation and pollution prevention and controlling are met. Most of PHM Group's business operations are related to contract-based services comprising various essential property services. These services include activities that fall within the scope of the aforementioned taxonomy-eligible activities.

However, determining the share of individual taxonomy-eligible and taxonomy-aligned activities within the broader services is challenging at present due to reporting technicalities. Consequently, PHM Group's share of taxonomy-eligible and taxonomy-aligned activities indicated in this report is low. The market has also not yet established clear interpretations for the application of the criteria in the property services business.

Part of the assessment of taxonomy alignment is that companies must do no significant harm to the achievement of the EU's other environmental objectives. In accordance with the "do no significant harm" criteria, the company is required to carry out a comprehensive assessment of climate risks and vulnerabilities. While PHM Group takes climate risks into account in its operations, the company has not carried out climate risk assessments based on science and climate scenarios to the extent required by the taxonomy. Activity 7.3. is also subject to the requirement that the company must not manufacture, use or bring to the market any hazardous substances or compounds listed in certain EU Regulations and Directives. PHM Group complies with the relevant legislation in its procurement and operations, but unit-specific information on compliance with the boundary values for hazardous substances has not been reported. In terms of activity 2.4., PHM Group did not assess the "do no significant harm" criteria for the two Swiss units reported in this taxonomy report, Analysis lab AG and Aatest AG, in 2024. These companies became part of PHM Group in June 2024, as PHM Group acquired the Real Estate Services business of Investis Group. PHM Group's taxonomy-eligible activities are not subject to other "do no significant harm" criteria aside from climate change mitigation and pollution prevention.

The EU taxonomy requires companies to observe minimum social safeguards with regard to human rights, fair competition, the prevention of corruption and bribery, and taxation. PHM Group has minimum safeguards in place on corruption, taxation, and fair competition. PHM Group's policies and handbooks cover essential human rights matters, yet they currently do not fulfil all the requirements of UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. PHM Group conducts risk assessments and training on practices regarding good governance, including ethical behaviour, anti-corruption, anti-bribery and fair competition. In 2024, PHM Group was not fined for any human rights violations, corruption, taxation or other related matters. Strengthening human rights due diligence processes will take place in 2025–2026.

Taxonomy indicators

Taxonomy eligibility and alignment was assessed in terms of three financial indicators: revenue, capital expenditure and operating expenditure. As not all of the alignment criteria for taxonomy alignment are met in the company's business operations due to the reasons mentioned above, PHM Group reports only the taxonomy-eligible share of the aforementioned indicators. PHM has determined that 1.3 per cent of its revenue is taxonomy-eligible. No taxonomy-eligible capital or operating expenditure was identified for PHM Group.

Revenue

PHM Group's taxonomy-eligible revenue was compared to PHM Group's total revenue. Taxonomy-eligible but not taxonomy-aligned revenue of EUR 12.0 million (1.3% of the Group's reported revenue) was identified.

The taxonomy-eligible revenue for activities 7.3. and 7.5. is related to the sales of additional services related to electricity, heating, water and ventilation systems by PHM Group's maintenance units, and the revenue of separate units that provide technical electricity, heating, water and ventilation system services. The activity-specific allocation of revenue related to 7.3. and 7.4. is based on an estimate, as the additional service sales of PHM Group's units have not been categorised in the company's own accounting in a manner that corresponds to the economic activities specified in the taxonomy. PHM aims to increase the accuracy of its assessment methodology within the next few years.

The taxonomy-eligible revenue for activity 2.4. is related to the entire net sales of PHM Group's two asbestos analysis companies in Switzerland. Revenue corresponding to activity 9.3. is generated from the energy consulting services provided by PHM's units in Sweden and the revenue of the sustainability consulting services in Denmark.

Capital expenditure

PHM Group's taxonomy-eligible capital expenditure was compared to PHM Group's total capital expenditure. In the Delegated Regulation supplementing the Taxonomy Regulation, capital expenditure is defined as covering additions to property, plant and equipment and intangible assets during the financial period. No taxonomy-eligible capital expenditure was identified for PHM Group.

Operating expenditure

PHM Group's taxonomy-eligible operating expenditure was compared with the PHM Group's total operating expenditure as defined in Taxonomy Regulation. In the Delegated Regulation supplementing the Taxonomy Regulation, operating expenditure is defined as covering direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. No taxonomy-eligible operating expenditure was identified for PHM Group.

KPIs of Non-financial undertakings, 2024
Turnover

Y	Yes
N	No (taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective)
N/EL	Not eligible (taxonomy-non-eligible activity for the relevant environmental objective)
n.a.	Not applicable

	Year 2024			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	Code (2)	Turnover (3)	Proportion of Turnover, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		Million Euros	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Installation, maintenance and repair of energy efficiency equipment	7.3	0	0.0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0%	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	0	0.0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0%	E	
Professional services related to energy performance of buildings	9.3	0	0.0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0%	E	
Remediation of contaminated sites and areas	2.4	0	0.0%	N/EL	N/EL	N/EL	N	N/EL	N/EL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	0%	0%	0%	0%	0%	0%										
Of which enabling		0	0.0%	0%	0%	0%	0%	0%	0%									E	
Of which transitional		0	0.0%	0%	0%	0%	0%	0%	0%										T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Installation, maintenance and repair of energy efficiency equipment	7.3	1.0	0.1%														0.2%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	2.8	0.3%														0.6%		
Professional services related to energy performance of buildings	9.3	2.9	0.3%														0.7%		
Remediation of contaminated sites and areas	2.4	5.2	0.6%														-		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		12.0	1.3%	56%	0%	0%	44%	0%	0%								1.5%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		12.0	1.3%	56%	0%	0%	44%	0%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
B. Turnover of Taxonomy-non-eligible activities		934.2	98.7%																
TOTAL (A + B)		946.2	**100%**																

KPIs of Non-financial undertakings, 2024
OpEX

Y Yes
N No (taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective)
N/EL Not eligible (taxonomy-non-eligible activity for the relevant environmental objective)
n.a. Not applicable

	Year 2024			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	**Code (2)**	**OpEx (3)**	**Proportion of OpEx, year 2024 (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year 2023 (18)**	**Category enabling activity (19)**	**Category transitional activity (20)**
		Million Euros	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Installation, maintenance and repair of energy efficiency equipment	7.3	0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0%	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0%	E	
Professional services related to energy performance of buildings	9.3	0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0%	E	
Remediation of contaminated sites and areas	2.4	0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	0%	0%	0%	0%	0%	0%										
Of which enabling		0	0.0%	0%	0%	0%	0%	0%	0%									E	
Of which transitional		0	0.0%	0%	0%	0%	0%	0%	0%										T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Installation, maintenance and repair of energy efficiency equipment	7.3	0.0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	0.0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4%		
Professional services related to energy performance of buildings	9.3	0.0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.6%		
Remediation of contaminated sites and areas	2.4	0.0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.3%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.0	0.0%	0%	0%	0%	0%	0%	0%								1.3%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		0.0	0.0%	0%	0%	0%	0%	0%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
B. OpEx of Taxonomy-non-eligible activities		58.3	100.0%																
TOTAL (A + B)		58.3	**100%**																

KPIs of Non-financial undertakings, 2024
CapEx

Y	Yes
N	No (taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective)
N/EL	Not eligible (taxonomy-non-eligible activity for the relevant environmental objective)
n.a.	Not applicable

	Year 2024			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	Code (2)	CapEx (3)	Proportion of CapEx, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		Million Euros	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Installation, maintenance and repair of energy efficiency equipment	7.3	0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0%	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0%	E	
Professional services related to energy performance of buildings	9.3	0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0%	E	
Remediation of contaminated sites and areas	2.4	0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	0%	0%	0%	0%	0%	0%										
Of which enabling		0	0.0%	0%	0%	0%	0%	0%	0%									E	
Of which transitional		0	0.0%	0%	0%	0%	0%	0%	0%										T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Installation, maintenance and repair of energy efficiency equipment	7.3	0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Professional services related to energy performance of buildings	9.3	0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Remediation of contaminated sites and areas	2.4	0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0.0%	0%	0%	0%	0%	0%	0%								0%		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		0	0.0%	0%	0%	0%	0%	0%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
B. CapEx of Taxonomy-non-eligible activities		31.1	100.0%																
TOTAL (A + B)		31.1	**100%**																

Nuclear and fossil gas related activities

Nuclear energy related activities		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

E1 Climate change

E1-1 Transition plan for climate change mitigation

Emissions sources

PHM Group has identified its mostly fossil fuel powered fleet as a major source of Scope 1 emissions. Scope 1 also includes emissions caused by light machinery, including e.g., blowers, mowers, trimmers, saws and similar tools, which are seasonally in heavy use. In addition, Scope 3 emissions, especially the purchased goods and services category, form another significant source of emissions.

The Group's fleet consists of thousands of vehicles, including vans, cars, trucks, snow removal vehicles and other mobile machines. Ecological considerations are taken into account in route planning and in optimising the structure of the operating areas and units in accordance with potential changes in the contract portfolio. As a rule, PHM Group invests in low-emission vehicles and machines. These measures are aimed at reducing fuel consumption in the long term.

Decarbonisation levers

In 2025, PHM Group will start Group-wide considerations regarding its decarbonisation levers, especially in terms of the fleet. The company will specify plans regarding, for example, vehicle types in use, vehicle suppliers and EV charger capabilities in units. Some of the measures may be reflected in the company's capital expenditure in 2025, but in a way that does not compromise PHM Group's financial targets.

Individual units in PHM's operating countries have previously had their own environmental programmes and targets, and some of the units are further along in their environmental and climate efforts and have already started electrifying their production vehicles. In addition, PHM in Finland, as a rule, only procures electrically powered light machinery. The transition to electrically powered light machinery continues in all operating countries in 2025. According to the Group's car benefit policies, PHM Group prioritises electric and hybrid vehicles as company cars.

In terms of Scope 2 emissions, PHM Group considers that electricity is not a major source of emissions due to the non-production nature of the industry. Electricity is mainly used in the Group's office and warehouse spaces. However, at the end of 2024, PHM Group made the decision to centralise its electricity procurement to facilitate shifting to emissions-free electricity and reduce the company's carbon footprint. The implementation of electricity centralisation is planned for all operating countries in 2025, except Finland and Norway, who are already in an emissions-free electricity sourcing framework.

In 2024, reporting of Scope 2 emissions included challenges due to Group's decentralised electricity procurement among 200 units, some having their direct electricity agreements and some operating as tenants.

Climate targets

PHM Group's target is to be climate neutral by 2035 regarding its own business (Scope 1 and 2). However, PHM Group has not made a transition plan limiting its emissions in line with the Paris Agreement and the global warming target of 1.5°C and is not yet objectively able to assess its performance against the target. PHM Group aims at setting science-based climate targets and adopting a transition plan in accordance with the Paris Agreement, as part of updating the entire sustainability strategy in 2025. The focus of the action plan will be reducing Scope 1 and 2 emissions and improving the data quality of Scope 3 emissions. The emission reduction plans do not affect PHM Group's current service portfolio.

PHM Group does not identify possessing a significant number of properties with locked-in GHG emissions since the company does not have production facilities. The Group's fleet is considered as assets with locked-in GHG emissions, however, part of the fleet is leased. PHM Group is not excluded from the EU Paris-aligned benchmarks, yet in 2024, PHM Group did not have a transition plan in place, and did not have taxonomy-aligned CapEx, nor is the company able to report relevant CapEx plans in accordance with Commission Delegated Regulation (EU) 2021/2178.

In 2024, PHM Group did not have taxonomy-aligned activities (OpEx). PHM Group did not have plans for aligned economic activities (revenues, CapEx, OpEx) with the criteria established in Commission Delegated Regulation 2021/2139. PHM aims to improve this reporting capability when creating a transition plan and updating the company's sustainability strategy, climate targets, and climate action plan in 2025.

E1 Material impacts, risks and opportunities (ESRS 2 SBM-3)

Based on material climate-related risks, PHM Group has identified climate-related physical and transition risks possibly affecting its business.

Climate-related transition risks	Climate-related physical risks
Growing customer demands for energy-efficiency and/or low-carbon services may impact business.	Changing weather conditions makes outdoor maintenance unpredictable, which may negatively impact net sales and profitability. Diminishing amount of snow may impact business in particular.
Responding to restrictions and regulations around climate issues, e.g., shift to electric vehicles, may pose an economic challenge.	
The younger customer generation may put higher pressure on sustainable property services in the residential housing company segment, which may lead to adjusting operations and/or services.	
Availability of some emission-related data due to high acquisition rate and ongoing integration processes poses challenges to accuracy in carbon accounting and setting emission reduction targets. This may cause inaccuracy in PHM Group's carbon accounting and, thus, the Group may emit more GHGs to the atmosphere than assumed.	
Due to country-specific legislation or tenancy, energy procurement is not fully under the company's control, which affects the possibility of procuring fossil-free electricity and thus global warming. Energy is mainly used in offices, units and depots.	

PHM Group has not yet conducted a deep resilience analysis or climate scenario analysis for its business model or strategy. The objective is to start the process of resilience and scenario analyses in 2025, and reflect the Group strategy and business model against the resilience analysis on a needs basis.

E1 Process for assessing material impacts, risks and opportunities (ESRS 2 IRO-1)

In 2024, PHM Group's process of identifying climate-related impacts, risks and opportunities started from defining PHM Group's value chain and the main climate-related drivers of transition risks and opportunities and physical climate risks. PHM Group's business and service offerings were analysed based on internal and public material, and the data collection was deepened through discussions and workshops with internal and external experts.

To ensure a comprehensive evaluation of relevant climate impacts, risks, and opportunities, stakeholder interviews were conducted. These comprehensive sources of information provided rather similar thoughts on PHM Group's main sources of GHG emissions and negative impacts on the climate; the fleet running mainly on fossil fuels. When defining the crucial GHG-emission related impacts, PHM Group's 2022 and 2023 carbon accounting figures were considered in the process and discussions especially regarding Scope 1 emissions were emphasised.

Defining the physical climate risks

During the process, PHM Group identified climate-related physical risks affecting some of its core business operations in terms of potentially decreasing amount of snowfall, sudden and extreme weather conditions and the unpredictability of weather conditions. PHM Group's business activities, especially in property maintenance, are exposed to physical climate risks. These risks affect mainly PHM Group's own operations in the value chain, but extreme weather conditions also pose a risk to customers' properties.

As PHM Group did not conduct a robust climate scenario analysis, it also did not identify climate-related hazards nor assessed the exposure of its assets or business activities to climate-related hazards.

The risks were evaluated with the time horizons used in double materiality assessment: short-term (1–2 years), medium-term (2–5 years), and long-term (over 5 years). The time horizons correspond to PHM Group's corporate risk management, but capital allocation plans and strategic planning horizons were not taken into account in detail in setting the time horizons.

Defining the transition risks and opportunities

The process of identifying climate-related transition risks and opportunities started by broadly evaluating transition events possibly affecting PHM Group, such as policy and regulatory changes, market and customer changes and reputational issues.

The regulatory environment and phasing out fossil fuels may create economic pressure on investing in an electric fleet and improving the Group's charging infrastructure.

Potentially rising preference for environmentally friendly services imply both transition risks and opportunities for PHM Group. On the risk side, customer demand for low-carbon and energy-efficient services may pose a risk of not being able to meet the demands, or result in high investments in new equipment or competence.

Not complying with regulations may have an impact on, for example, investors' interest in PHM Group.

When defining the time horizons of transition events, PHM categorised them during the double materiality assessment process and used the corresponding time horizons. Thus, transition events were not evaluated to cover over 10 years' time. Since PHM Group has not conducted a robust climate scenario analysis, the evaluation was made based on an assumption of a moderate emission scenario as identified by the Group.

Risks and opportunities were evaluated mostly in own operations and in the downstream value chain. The assessment was done focusing on the Group's business and strategy on a general level; the transition risks and opportunities do not affect certain business activities more than others. The fleet, being an essential asset for the Group, was assessed to be exposed to transition events from regulatory, customer expectations and reputational points of view.

Likelihood, scale and scope, and timeframe of events were assessed in the double materiality assessment for transition risks and opportunities but not for transition events. During the double materiality assessment process, the company assets compatible with climate-neutral economy were also assessed.

Double materiality assessment of climate impacts, risks and opportunities

After defining physical and transition risks and opportunities, PHM Group's sustainability experts, in cooperation with other internal and external experts, conducted evaluations of climate-related impacts and financial risks and opportunities, and analysed each topic in detail. Materiality thresholds for impacts were set based on parameters such as impact scale, scope, time horizon, irreversibility, likelihood, and relevance to human rights. Similarly, risks and opportunities were evaluated using parameters such as time horizon, magnitude, and likelihood. This framework ensured a robust understanding of PHM Group's material climate-related impacts, risks, and opportunities. The process resulted in narrowing down the material climate topics of PHM Group.

PHM Group assessed the direct link between material positive and negative impacts and their associated financial risks and opportunities. The assessment also highlighted the causal relationships between potential climate impacts and future financial effects.

E1-2 Policies

PHM Group's Corporate Responsibility Strategy includes the company's approach to climate change. The strategy has not been created based on the double materiality assessment results, yet it reflects most material climate change mitigation issues that resulted from the double materiality assessment. Climate change adaptation topics related to financial risks and opportunities caused by changing weather conditions are not addressed in the strategy, yet they are acknowledged in the Group's corporate risk assessment.

In 2024, the company paid mostly attention to the Scope 1 emissions caused by its extensive fleet, and the mitigation action plan is included in the Corporate Responsibility Strategy. The strategy does not specifically highlight energy efficiency or renewable energy deployment due to the nature of the property services industry, which is not particularly energy intensive. However, PHM Group started a shift towards emissions-free energy in 2024.

The stakeholder needs and values and EU-level regulation are all taken into account in the strategy at a general level. In 2025, PHM Group will conduct a climate risks assessment, update its Corporate Responsibility Strategy and action plan, and create a climate policy.

PHM's Code of Conduct covers certain climate change related topics that are considered material:

Name of the policy	General objectives	Key contents	Related material impacts, risks or opportunities	Scope of the policy	Process for monitoring
Code of Conduct	To communicate the company's commitment to ethical business conduct, and help employees understand its implications and grievance mechanisms	- Working in customer's premises and integrity - Respectful behavior - Safety - Environmentally sustainable business - Fair competition - Anti-corruption - Anti-money laundering - Conflict of interest - Protecting the company's property, confidential information and privacy - Economic sanctions and trade controls - Confidentiality and reporting - Whistleblowing	Sizeable fleet (vans, cars, trucks, snowploughs, light machinery) is PHM Group's main source of GHG emissions released in the atmosphere, because the fleet currently runs mainly on fossil fuels. The fleet is used by employees travelling to customer premises with their equipment to perform property services duties. PHM Group has started the process of electrifying its fleet to reduce the company's effect on global warming, although PHM's country organisations are in different stages in the process. The younger customer generation may put more emphasis on sustainability in property services in the residential housing company segment, which may create opportunities and lead to new service offerings.	The entire Group and all its employees, business activities in all operating countries (own operations) as well as direct suppliers and subcontractors in all its business activities and subcontractors (value chain)	Code of Conduct online training for all employees, mandatory in induction and integration phases

E1-3 Actions

Key actions taken and planned by decarbonisation levers

Target: PHM will be climate neutral by 2035.

Key actions in 2024:
- Decision to shift to emissions-free electricity in the PHM Group was made – Finland and Norway mostly being there already in 2024. PHM Group expects its Scope 2 GHG emissions to decline after 2025, when electricity sourcing decisions have been fully implemented.
- Use of electric hand-held tools was reinforced further, which has a minor effect on PHM Group's Scope 1 GHG emissions in the long term.
- Data collection for carbon accounting in all three scopes was expanded to all PHM country organisations and several employees per country were trained for it.

Due to high M&A activity and ongoing integration processes, the availability of data is a constant challenge for PHM Group. For example, many Scope 3 datapoints were calculated on spend-based methods and some estimations and extrapolations were made on a needs basis. Carbon accounting is a continuous development effort for PHM Group, because it forms the basis for redefining the decarbonisation levers and emission reductions targets.

PHM Group's ability to implement the actions described above somewhat depends on the availability and allocation of resources, such as access to finance. However, the biggest constraint to large-scale decarbonisation investments is their potential effect on profitability. PHM Group is committed to a climate action plan in a way that does not compromise the company's financial targets in the short term.

PHM Group has not adopted nature-based solutions in its climate change mitigation actions in addition to small-scale biodiversity enhancement projects in local units. In 2024, PHM Group was not capable of reporting the achieved or expected GHG emission reductions of these actions in exact numbers and timeframes.

In 2024, PHM Group was not able to report the CapEx and OpEx required to implement the above-mentioned actions taken or planned nor how they relate to the relevant line items or notes in the financial statements due to the Group's financial reporting. The key performance indicators required under Commission Delegated Regulation (EU) 2021/2178 have been reported in section Environmental information – EU Taxonomy.

Key actions in 2025:
- Climate scenario assessment and climate risk assessment will be conducted.
- Preparing for setting science-based climate targets will begin.
- Transition to emissions-free electricity procurement will begin in Sweden, Denmark, Germany and Switzerland.
- Electrifying the fleet in Finland will advance, starting with a project of mapping charging infrastructure and allocating the electric vehicles to suitable units.
- Carbon accounting will be developed further so that the company is better able to track progress and make targeted emissions reduction measures.

Outcome: PHM Group has a better understanding of the climate impacts of its business and the climate risks concerning the company, which enables the company to commit to science-based climate targets.

In 2025, PHM Group will continue further considerations regarding its fleet, which is the major source of the Group's GHG emissions. The company will specify plans regarding, for example, vehicle types in use, vehicle suppliers and EV charger capabilities. Some of the measures may be reflected in the company's capital expenditure in 2025. Electrifying the fleet is expected to bring considerable GHG emission reductions in the long term.

In 2025, PHM Group aims at developing its climate work by conducting climate risk and climate scenario assessments and preparing for science-based target setting. PHM Group has not previously made such significant mitigation actions that could be identified in carbon accounting.

PHM Group's key climate actions described in this Sustainability Statement are fundamentally Group-wide in nature, except where otherwise mentioned in connection with description of key actions or performance indicators.

E1-4 Targets

PHM Group's target is that the Group becomes climate neutral in its own operations (Scope 1–2) by 2035. This target is aligned with the strategic objectives of decreasing GHG emissions.

In 2024, PHM Group did not have a separate climate policy, yet the target was aligned with the Group's Corporate Responsibility Strategy. The target is absolute and measured in tCO_2e. PHM Group has reported its greenhouse gas emissions from 2022. PHM's carbon accounting in 2022–2023 was based mostly on estimates, and it was not entirely representative due to limited and/or varying reporting capabilities in PHM's operating countries. However, the reporting methods have improved since, thus PHM Group will use the year 2024 as the base year when setting the targets in 2025. Due to lack of science-based calculation methods and limited reporting capabilities, PHM Group did not yet have interim targets for GHG emission reductions.

PHM has identified that a key decarbonisation lever to achieve the climate target (Scope 1) is the electrification of the fleet and other machinery, which in the long term will lead to the phasing out of fossil fuels.

In addition, the company will centralise its electricity procurement in the operating countries leading to the procurement of emissions-free electricity (Scope 2).

The assumption behind the target is that the Group will continue operating in the current business areas even if it may expand to new markets. The target is not yet science-based and not compatible with the Paris Agreement 1.5°C targets. PHM Group aims at re-defining its climate targets in 2025 in accordance with a science-based methodology, and afterwards setting quantitative GHG reduction targets by decarbonisation levers. In addition, a climate transition plan will be updated in conjunction with the targets.

As the Group's carbon accounting calculation methodologies develop annually, previous years (2022–2023) are not comparable. The current target has been defined by the Group Management Team in cooperation with internal experts. In 2024, the target was not monitored on a monthly basis due to complexities in carbon accounting. The monitoring will be improved once the reporting capabilities of the operating countries have been developed, which is an on-going effort.

Progress towards the target is measured annually based on data from PHM Group’s carbon accounting. In 2024, PHM Group’s absolute emissions (Scope 1 and 2) were 26,660 tCO2e location-based and 28,868 tCO2e market-based (46,200 tCO2e in 2023). In 2024, the decline was partly due to developed calculation techniques and the data collection process. PHM believes that, in the long term, as the emissions reduction measures proceed as planned, the company will see a further decline in absolute emissions. In 2024, PHM Group was able to collect more primary data from the countries for carbon accounting purposes compared to previous years, and in Scope 1 and 2 calculations, only a marginal amount of spend-based data were used in comparison to previous years.

In 2024, there were no significant changes in targets and corresponding metrics or significant assumptions within the defined time horizon. Measurement methodologies, sources and processes were more reliable than earlier, and the limitations were clearly defined.

E1-5 Energy consumption

In 2024, PHM Group's energy consumption was calculated at country level using accurate data and energy sources from energy suppliers, where data was available. Missing data was extrapolated based on turnover and electricity contracts of other PHM operative units in the same country. Renewables and nuclear energy were only reported on the basis of certified energy contracts, hence the high proportion of fossil energy sources reported.

	2024
Total energy consumption	13,450 MWh
Total energy consumption from fossil sources	11,282 MWh 84% Fossil sources
Total energy consumption from nuclear sources	1,453 MWh 11% Nuclear sources
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0 MWh
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	715 MWh
Consumption of self-generated non-fuel renewable energy (MWh)	0 MWh
Total energy consumption from renewable sources	715 MWh 5% Renewable sources

E1-6 GHG emissions

In 2024, there were not any significant changes in the PHM Group's upstream or downstream operations that would affect Scope 1–3 emissions reporting. However, the high acquisition rate of the Group compromises the year-to-year comparability of the absolute GHG emissions. GHG intensity based on reported net revenue provides a better understanding of PHM Group's development in Scope 1–3 emissions.

In 2024, PHM Group's data collection in Scope 1–3 emissions included all its operating countries. Due to high M&A activity and ongoing integration processes, not all countries were able to provide data necessary for carbon accounting in the same manner. Emissions data was gathered mainly at a country-level, and then aggregated into Group-level figures.

Scope 3 categories reported in 2024:

Category 1. Purchased goods and services
Category 2. Capital goods
Category 3. Fuel- and energy-related activities
Category 4. Upstream transportation and distribution
Category 5. Waste generated in operations (waste generated in offices and other company-owned or operated facilities)
Category 6. Business travel
Category 7. Employee commuting

Scope 3 categories not reported in 2024:

Category 8. Upstream leased assets: Assets leased are reported in Scope 1 and 2 as fuel consumption and energy use.
Category 9. Downstream transportation and distribution: PHM Group does not have significant business in these areas.
Category 10. Processing of sold products: PHM Group does not produce or sell products.
Category 11. Use of sold products: PHM Group does not produce or sell products.
Category 12. End-of-life treatment of sold products: PHM Group does not produce or sell products.
Category 13. Downstream leased assets: PHM Group does not lease assets to other entities.
Category 14. Franchises: PHM Group does not have franchising activities.
Category 15. Investments: PHM Group does not operate in the investment sector.

PHM Group's carbon accounting was executed in accordance with the GHG protocol and by using mainly Defra, AIB and Exiobase emission factors. The emission factors used were the latest ones published in 2024, or earlier ones with inflation corrections.

Scope 2 calculations required extrapolations throughout the Group, since no operative country was able to report exhaustive figures, due to lack of centralised energy procurement and partly leased premises that have energy as part of the rental agreement. The data gaps were extrapolated based on units' turnover.

Scope 3 GHG emissions using primary data obtained from suppliers

Scope 3 Category 1. Purchased goods and services and Category 4. Upstream transportation and distribution were reported based on data received from suppliers to the extent it was available from suppliers in each of PHM Group's operating countries. Where supplier data was not available, the data was extrapolated based on data received from Finland. Where part of the suppliers provided data, the remaining data gap was filled with extrapolated data based on total spend on suppliers or based on turnover of the companies that were not included in the calculations. PHM Group was unable to define the percentage of emissions calculated using primary data from suppliers.

Scope 3 categories with boundaries

Category 1. Purchased goods and services:
Part of PHM Group's operating countries were able to obtain data from their main suppliers. However, since all operating countries have a multitude of suppliers, including local ones, receiving comprehensive data was not possible. The data gaps were filled by extrapolating the gaps in the main product categories based on total spend of procurement. Operating countries that did not receive any data from suppliers reported monetary amounts based on bookkeeping, or the data gaps were filled with extrapolations based on data received from the main suppliers in Finland.

Category 3. Fuel- and energy-related activities:
The same boundaries apply as for Scope 1 and 2 calculations in general. All PHM operating countries reported their Scope 1 mobile combustion litres precisely, except for PHM Denmark. PHM Denmark provided data regarding fuel expenses, and the consumed litres were calculated based on public Danish price statistics.

Category 4. Upstream transportation and distribution:
PHM Finland received data from the main suppliers transporting goods to PHM Group. Their data was used as a basis for extrapolating the data of most other operating countries. Data received from suppliers in Finland did not specify if trucks or vans were used for transportation, thus calculations for all logistics were done with the assumption of trucks, which has a higher emission factor.

Category 5. Waste generated in operations:
PHM Group's waste was estimated in terms of waste generated in offices and other company-owned or operated facilities. The estimation was done by using public data sources and average head counts of each operating country.

Category 6. Business travel:
Data on flights and hotel stays were mostly manually collected throughout the organisation. Each operating country had different reporting capabilities on other modes on travel. The data gaps were filled by extrapolating each travel mode from the data received from operating countries with similar travelling habits and by ignoring the travel modes that were not relevant for certain countries, for example, travel by boat.

Category 7. Employee commuting:
Employee commuting was estimated based on public data sources and average head count in each operating country by separating the head office employees (white collar) from operative employees (blue collar). It was estimated that head office employees work remotely more compared to operative employees whose work requires physical presence. All employees were estimated to use the same amount of passenger cars, public transportation and emissions-free modes of travel.

Gross GHG emissions within Scope 1, 2, 3, and total greenhouse gas emissions

PHM Group has not yet defined scientific emission reduction targets and thus will not report targets. PHM Group uses the year 2024 as the base year for emissions calculations and does not present comparative data.

	2024
Scope 1 GHG emissions	
Gross Scope 1 GHG emissions (tCO_2eq)	25,706
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0%
Scope 2 GHG emissions	
Gross location-based Scope 2 GHG emissions (tCO_2eq)	954
Gross market-based Scope 2 GHG emissions (tCO_2eq)	3,162
Scope 3 GHG emissions	
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)	64,094
1: Purchased goods and services	37,401
2: Capital goods	7,378
3: Fuel and energy-related activities (not included in Scope1 or Scope 2)	6,894
4: Upstream transportation and distribution	11
5: Waste generated in operations	135
6: Business travelling	1,095
7: Employee commuting	11,180
Total GHG emissions	
Total GHG emissions (location-based) (tCO_2eq)	90,753
Total GHG emissions (market-based) (tCO_2eq)	92,961

GHG intensity of PHM Group's total emissions

GHG intensity per net revenue	**2024**
Total GHG emissions (location-based) per net revenue (tCO_2eq/mEUR)	96
Total GHG emissions (market-based) per net revenue (tCO_2eq/mEUR)	98

PHM Group's turnover for 2024 used in the GHG intensity calculation was 946 million euros, which is disclosed at PHM Group's Board of Directors' Report under Key Figures and in the Financial Statement under Consolidated Financial Statements.

3. Social information

S1 Own workforce

S1 Material impacts, risks and opportunities (ESRS 2 SBM-3)

PHM Group has a wide range of job roles, all of which may be exposed to both negative and positive material impacts. PHM Group aims to use mainly its own workforce, although subcontracting is used to some extent in seasonal work. The reliability of subcontractors is verified in Finland through the "Reliable Partner" responsibility network, but due to unfinished integration processes, monitoring was not conducted in a harmonised manner in other operating countries in 2024.

Activities resulting in positive material impacts

PHM Group employs a wide range of people of different nationalities, with varying levels of education and language skills. The company provides job opportunities for people without professional education for the work and people who might have difficulties finding means of livelihood, e.g., immigrants, which enhances the Group's diversity and supports its employees' integration into society. Employees' experience of their own skills and work is surveyed annually in the employee survey. The same survey also examines their experience of work ability now and in the future, as well as their experience of stress. Employees' development is assessed annually in development discussions, and goals for development are set, taking into account the practices of each operating country. PHM Group did not have a harmonised Group-wide development discussion policy in 2024.

PHM Group follows occupational health risk management practices and processes according to the legal requirements of the operating countries. In Finland, PHM Group trains supervisors to identify and respond to potential occupational health risks at an early stage. Systems are also being developed to support the early support activities. PHM Group did not have a harmonised Group-wide occupational health risk identification or early support process in 2024.

PHM Group offers all its employees training and development opportunities to improve their skills and advance their careers. This not only improves employees' motivation and commitment but also helps the Group to meet changing customer demands and changes in the operating environment.

PHM Group's employees are paid at least wages according to collective agreements. The terms of employment are determined by collective agreements and labour legislation or if there is minimum wage legislation in the operating country, this is taken into account.

In 2024, PHM Group did not have a green transition plan in terms of employees. The green transition may in the future increase the need for employee training, counselling, and engagement. PHM Group has an online learning environment that can be used for training.

Material impacts and opportunities

Workforce-related impacts are central to PHM Group's business, and the identified material impacts influence PHM Group's business strategy, although they have not been documented in the Group's strategy identically with the double materiality assessment. One of PHM's five strategic cornerstones is employee experience that covers many aspects of employee well-being and motivation. PHM Group's sustainability focus areas defined in the Corporate Responsibility Strategy include continuous improvement of the culture of safety at work, strengthening culture of diversity, and expanding training programs and skills development across all organisational levels.

PHM Group assesses employee-related impacts through a double materiality assessment, focusing on working conditions, equality, non-discrimination, and skills development. PHM Group's material negative impacts may be considered widespread in the sense that the same issues can be identified in all operating countries

The remuneration practices of PHM Group's companies comply with local legislation, collective agreements, and local agreements of each operating country. PHM Group provides legal and adequate wages, including for individuals in disadvantaged socioeconomic positions.

Gender imbalance exists in both leadership and operational roles. The maintenance sector is male-dominated, with more men applying for industry-related training programmes, resulting in a higher number of male job applicants. In turn, in cleaning tasks, more women are employed, and more women apply for these training programmes, leading to a higher number of female job applicants. If there are two equally qualified candidates, PHM Group instructs supervisors to choose the candidate who represents the gender minority in that specific role or team.

PHM Group's annual remuneration ratio and pay gap

2024	
Annual total remuneration ratio	30%
Male-female pay gap	21%

Annual total remuneration ratio was available only from PHM Finland. The male-female pay gap does not include PHM Denmark due to unfinished processes of integration and organisational development.

The pay gap reflects the difference in average earnings between gender groups, which is mainly influenced by their distribution across different job levels. The pay gap is presented as a gross average per gender. It does not take into account the roles or experiences of individuals. This calculation does not take into account factors such as job title, length of service or individual experience. It is important to understand that the pay gap does not imply pay inequality and is not a measure of equal pay. Instead, it highlights the possibility of strengthening the representation of certain groups of workers in senior positions.

To address the gender pay gap and workforce imbalance, PHM develops pay equity reviews and gender equality initiatives. PHM aims at enhancing pay equity assessments and gender equality measures, and to strengthen inclusive recruitment and workforce integration, yet these were not identified as strategic development projects in 2024.

In its activities, PHM recognises the potential for accidents at work and safety risks. The company continuously assesses work-related risks and ensures the use of appropriate protective equipment and invests in safety training and the development of common practices. Accidents at PHM Group are almost always minor. PHM Group has a safety reporting system in Finland and Sweden for monitoring and investigating near misses and accidents. On the basis of those reports, operations are improved and any shortcomings are corrected.

Attracting a diverse workforce is a strategic matter for the company and documented in the Corporate Responsibility Strategy. PHM Group's workforce is diverse, employing e.g., individuals without formal education and migrant workers. Employing a migrant workforce is a significant opportunity for PHM Group, as the company depends on the availability of labour in order to grow. PHM Group enhances its employment of a migrant workforce through targeted recruitment efforts and career support initiatives. PHM Group aims to support a multilingual workplace and, for example, will translate guidelines and training materials into more languages in the future.

PHM Group hires people with diverse backgrounds, nationalities, and languages, which means that there may be individuals in vulnerable positions in the staff. The lack of a common language and different ethnicities may cause discrimination and inequality in the workplace. Diversity training and internal policies help mitigate risks related to discrimination.

Employee-related opportunities and risks

PHM Group has identified the employment of a migrant workforce as a key diversity opportunity. PHM Group employs, among others, members of ethnic minorities in the countries where it operates.

PHM Group's companies do not operate in countries where forced labour or child labour would be considered a significant risk, and PHM Group's business operations do not include tasks where the use of child labour would be considered a risk. Employee identities and work permits are checked as required by local legislation.

PHM defines the risks involved in the work tasks, trains staff and uses appropriate tools and equipment to ensure safety at work for all staff groups.

PHM Group's workforce consists mostly of employees. PHM also subcontracts certain services in e.g. seasonal work, for which reason PHM does not have records or visibility on subcontractors' employees. Exposure to work-related injuries and possible discrimination at the worksite, which are material impacts for PHM, could also affect the subcontractors' employees.

S1-1 Policies

PHM Group's policies regarding its own workforce are presented in the table below.

Name of the policy	General objectives	Key contents	Related material impacts, risks or opportunities	Scope of the policy	Process for monitoring
Code of Conduct	To communicate the company's commitment to ethical business conduct, and help employees understand its implications and grievance mechanisms	- Working in customer's premises and integrity - Respectful behavior - Safety - Environmentally sustainable business - Fair competition - Anti-corruption - Anti-money laundering - Conflict of interest - Protecting the company's property , confidential information and privacy - Economic sanctions and trade controls - Confidentiality and reporting - Whistleblowing	PHM Group's employees may be exposed to different work-related injuries and safety hazards due to nature of operative work, such as icy and slippery yards and driveways. PHM Group employs a substantial number of people with different backgrounds, nationalities and languages. Lack of a common language and different ethnicities may cause discrimination among the teams.	The entire Group and all its employees, business activities in all operating countries (own operations) as well as direct suppliers and subcontractors in all its business activities and subcontractors (value chain)	Code of Conduct online training for all employees, mandatory in induction and integration phases
Diversity, equity and inclusion policy	To communicate the company's commitment to diversity, equity and inclusion to employees, help them identify issues, and educate how to report them	- Meaning of diversity, equity, and inclusion - PHM Group's guidance about diversity, equity, and inclusion - What is acceptable at the workplace - When to seek advice	PHM Group's gender ratio is skewed, both in leadership positions and operative personnel, which may sustain male-dominant practices and power positions. The entire property services industry, including PHM Group, is male-dominant especially in e.g., property maintenance and technical services. PHM Group's policies and training programs aim at ensuring equal skills-development possibilities for all employees performing similar work. PHM Group employs a substantial number of people with different backgrounds, nationalities and languages. Lack of a common language and different ethnicities may cause discrimination among the teams. PHM Group provides a diverse workplace for people with different backgrounds. Immigration is seen as an opportunity to attract motivated workforce.	The entire Group and all its employees, business activities in all operating countries (own operations) as well as direct suppliers and subcontractors in all its business activities and subcontractors (value chain)	Anti-discrimination and diversity online training for key employees, mandatory in induction and integration phases

Name of the policy	General objectives	Key contents	Related material impacts, risks or opportunities	Scope of the policy	Process for monitoring
Safety and security handbook	To outline Group safety and security management, identify actions, roles and responsibilities, and communicate targets to different country organisations	- Roles and responsibilities - Country-level safety and security management - Safety reporting - Workplace accident process - Workplace safety and security incident process - Safety and security requirements	PHM Group's employees may be exposed to different work-related injuries and safety hazards due to the nature of operative work, such as icy and slippery yards and driveways. PHM Group's employees participate in training regarding their area of expertise, also some employees are unskilled and trained to the profession on the job. Employees performing tasks with safety hazards obtain legal licenses to work on those tasks. Skills development enhances people's capabilities and professionalism.	The entire Group and all its employees, business activities in all operating countries (own operations) as well as direct suppliers and subcontractors in all its business activities and subcontractors (value chain)	Group-wide safety and security management harmonisation, safety reporting development across the Group

Engagement with own workforce

PHM Group engages with its own workforce and monitors compliance with relevant human rights processes, for example, by a Group-wide employee survey. The primary communication channel is the intranet, and team meetings are held to communicate information for field employees. Dialogues with employee representatives are conducted according to the legal requirements of each country. In Finland, PHM Group has a legally required equality and non-discrimination plan developed in collaboration with employee representatives. The relevant policies are available on the intranet and have been reviewed with employee representatives. Due to the ongoing integration processes and development of the country organisations, policies from other operating countries were not yet listed or harmonised in 2024.

PHM Group's policies related to human rights, including own workforce

PHM Group's Code of Conduct, Diversity, Equity and Inclusion Policy, and Safety and Security Handbook respond to material impacts and opportunities arising from its own workforce and they cover all employees in all operating countries. PHM Group's Code of Conduct covers essential human rights issues, however, it currently does not fulfill all the requirements of UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. In 2024, PHM did not have a specific action plan to address potential human rights impacts.

In 2024, PHM Group operated in Northern and Central European countries, did not manufacture any products in factories, and every employee was registered in a human resource management system with their identity verified. PHM Group is committed to ensuring that the issues of human trafficking, forced labour and child labour do not occur in its operations and that the rights of the employees are respected under all circumstances. However, in 2024, PHM Group's policies did not cover in detail human trafficking, forced labour, compulsory labour or child labour, since the risk of those matters have not been considered material.

PHM Group had a safety reporting system in use in Finland, Sweden and partly Switzerland in 2024. All near-miss incidents and accidents are investigated. Based on the investigation, operations are improved, and deficiencies corrected. Safety management and reporting harmonisation continues in all operating countries in 2025.

PHM Group has a Group-wide Diversity, Equity and Inclusion Policy that aims at eliminating discrimination and promoting workplace equality and diversity. The policy covers all forms of discrimination, including race, ethnicity, gender, sexual orientation, gender identity, disability, age, religion, political opinion, national origin, and social origin. PHM's interpretation is that ethnicity as a diversity factor also covers skin colour, thus it is not mentioned separately in the policy. The policy does not refer to any other forms of discrimination covered by the European Union regulation or national law.

Occupational health and safety policies include role-specific safety training, occupational health services, and continuous monitoring of working conditions. These efforts aim to reduce work-related risks and improve job satisfaction.

In 2024, PHM Group did not have a policy that covers remedy for human rights impacts. PHM did not have specific commitments related to operating principles that concern affirmative action for particularly vulnerable groups. There was also no specific procedure to implement such an operating principle.

Promoting equality and non-discrimination in recruitment

In Finland, PHM Group has an equality and non-discrimination plan, as well as processes for addressing inappropriate treatment and harassment, tracking the progress of measures and planning for the future. Recruitment aims to promote equality by ensuring that both men and women apply for open positions. Selection criteria must be gender-neutral and applicable to all candidates. Recruitment must be non-discriminatory, and factors such as the applicant's age, gender, or other personal characteristics must not affect the decision. Key selection criteria include the applicant's professional skills, suitability for the position, teamwork and customer service skills, and willingness to develop in their role. In 2024, similar processes were not fully implemented or harmonised in other operating countries due to matters related to integration and country organisation development.

In Finland, PHM Group has an early support model and processes in place. Supervisors are trained to prevent discrimination and promote equality. The equality plans are available to all Finnish employees on the intranet. Also, training records are entered into the human resources management system. In Finland, apprenticeship training programmes are currently in place. Finnish legislation guides, for example, the work of young employees. The legislation also regulates the employment of foreigners. In Finland, work permits and passports are checked for all foreigners, official notifications are made, and the same collective agreement wages are paid. Finnish legislation on occupational safety includes special protections for particularly vulnerable groups, such as pregnant employees and older workers. Similar processes were not fully implemented or harmonised in other operating countries in 2024 due to matters related to integration and country organisation development. In operating countries outside of Finland, human resource management systems were still being implemented in 2024.

Since PHM Group’s business operations in 2024 consisted of 200 units in different countries and acquired at different times, the goal is to integrate the companies, and with it, the country-specific support functions according to a plan, adhering to the regulations and legislation of the respective country.

S1-2 Engagement with own workforce

PHM Group engages with its employees both directly and through employee representatives. Considering the country's legislation and regulations as well as the size of the companies, PHM Group goes through the prescribed matters in dialogue either with employee representatives or with the entire staff. Employees are given the opportunity to influence and comment on matters before decisions are made in those matters where local legislation allows or requires this. The company's main communication channel is the intranet, although the intranet was not yet implemented to Germany and Switzerland in 2024. Other communications channels are used in these cases.

Finland has an equality and non-discrimination plan, which includes an action plan and is used to monitor the progress of the measures. Under Finnish law, employees have freedom of assembly.

In Finland, dialogues with employees are organised by law 1–4 times a year, depending on the size of the company and whether the company has employee representatives/trustees. Some companies have employee representation, in which case the dialogue takes place with them, and others discuss statutory issues with the whole workforce. Dialogue takes place in a joint meeting prior to changes through discussion. Compliance with the law on collective bargaining is ensured by unit managers and HR. The employer is responsible for compliance. In Finland, dialogue is still limited due to the low level of involvement of employee representatives. PHM Group was not able to report on the coverage of collective bargaining and social dialogue for its own employees in financial year 2024 as the process was not documented for 2024.

The other above-mentioned processes in operating countries outside of Finland were not harmonised or listed in 2024. For countries other than Finland, the processes will be mapped out during 2025. PHM Group’s operating countries have strong legislation and oversight regarding interaction with employees and, therefore, PHM Group considers its business units compliant.

PHM Group complies with national laws and collective agreements. Collective agreements are made with the respective unions. Local agreements also exist in some companies. PHM Group gathers insight regarding members of its own workforce who may be particularly vulnerable to negative impacts by conducting an annual employee survey for all employees, providing training and awareness-raising, providing a whistleblowing channel, and providing an early support model. In addition, PHM Group conducted a double materiality assessment in 2024, during which it interviewed potentially vulnerable employees, such as seasonal workers that have migrated for the work. During the assessment, permanent foreign employees were also interviewed to gain insight about possible negative impacts of the work. Employees are encouraged to contact their supervisors should they face discrimination, for example.

S1-3 Processes to remediate negative impacts and notification channels

PHM Group actively seeks to identify and correct negative impacts on its employees. This includes, for example, risk assessments and collecting employee feedback through employee surveys.

PHM Group has identified material negative impacts to its employees concerning health and safety, diversity and gender equality. Should negative impacts occur, the employees have channels to report, to be heard and have their cases investigated. PHM Group has a process in place for investigating occupational accidents, discrimination and/or harassment and cases that fall under the Whistleblower Protection Act. The implementation of these processes may vary in operating countries. PHM Group does not currently have a harmonised way of assessing the effectiveness of remediation.

Employees have access to a whistleblowing channel, which can be accessed on PHM's website or intranet. The channel is anonymous, ensuring the protection of the reporter. Access to the channel and reporting is not restricted and allows anyone to file a report.

PHM complies with the Whistleblower Protection Act. General awareness of the channel among PHM Group's employees is ensured mainly through information sharing and communication in different communication channels, such as the intranet and intragroup newsletters.

Whistleblowing reports submitted to the reporting channel are handled as required by a designated Whistleblowing Committee who have access to the reporting channel. Whistleblowing Committee consists of three members of the Group Management Team as well as two persons in the support functions in Sweden and Switzerland. Representatives from each PHM Group operating country may be involved in the investigations and communications of the country-specific reported cases when needed. Whistleblowing Committee's duties and responsibilities are further defined in PHM Group's Whistleblowing Policy. There are dialogue forums with employee representatives in accordance with the requirements of each operating country, where matters regarding the whistleblowing channel are discussed on a needs basis..

The channel includes process tools to ensure the appropriate and confidential handling of the reports and communications with the reportee. The service is available in Finnish, Swedish, English, Norwegian, Danish, German and French. Within seven days, the Whistleblowing Committee sends a response or additional questions in accordance with applicable legislation.

The electronic whistleblowing channel is provided as a service by a service provider (NAVEX Global Inc.). Contracts ensure that the service provider, as a data processor, processes personal data in accordance with applicable legislation.

Personal data in the reporting channel is encrypted, protected, and stored in the service provider's data centres located in the EU. The reporting channel is certified according to ISO 27001 (information security) standards. Reports made through the reporting channel and the personal data contained therein are handled by personnel whose job duties require it (e.g., conducting investigations or implementing possible consequences). They are bound by statutory confidentiality obligations.

Access to the reporting channel is restricted to designated individuals and protected by user-specific credentials and passwords. External experts from the PHM Group (e.g. legal services) and authorities may be involved in the investigation and handling of reports within the limits allowed by the Whistleblower Protection Act or other applicable legislation. Based on the Whistleblower Protection Act, the PHM Group may, for example, provide information to pre-trial authorities for the prevention, detection, investigation, and prosecution of crimes. The channel is anonymous, and additional information can also be reported anonymously. The protection against retaliation of a whistleblower is described in PHM’s Whistleblowing Policy, which is presented in ESRS G1-1 in this Sustainability Statement.

There are also dialogue forums with employee representatives in accordance with the requirements of each operating country. In 2024, PHM Group did not have the means to assess if its employees are aware of the channel and whether they trust the processes of raising concerns.

S1-4 Actions

A safe and diverse workplace

Target: The number of workplace accidents will decrease by 50% each year, compared to the previous year. In 2024, PHM Group's target was only applicable to Finland, where safety management, reporting and KPIs are accurate enough for target setting.

Key actions in 2024:
- Strong safety management in Finland continued by conducting safety audits, safety risk mapping and introducing new workplace safety training.
- Training related to anti-discrimination and the promotion of diversity for senior and middle management continued in Finland.
- In Finland, leadership training continued with the agenda of, for example, mutual respect and appreciation of diversity.
- Safety management guidance and tools were further specified in Sweden, Norway and Denmark; safety reporting capabilities were developed in Sweden and Norway.

Key actions in 2025:
- Dafety management, including safety reporting and harmonisation, will continue in Sweden and Norway and begin in Denmark, Germany and Switzerland.

Outcome: PHM Group harmonises safety management in different operating countries, which gradually leads to a stronger safety culture throughout the company and fewer workplace accidents. Systematic leadership development creates a foundation for a workplace based on diversity, equity and inclusion, which has a positive effect on well-being, job satisfaction and employee turnover in the long term.

Preventing negative material impacts and achieving positive impacts on own workforce

In Finland, strong safety management continued in 2024, including, e.g., safety audits, safety risk assessments, and the implementation of new workplace safety training. In Sweden and Norway, basic safety management processes and tools were implemented. In Switzerland, safety management policies and tools were in place, but have only been implemented in selected units based on a risk assessment. In Denmark and Germany, safety management will be developed in 2025. In Finland, Sweden and partly in Switzerland, a safety reporting system is used to investigate near-miss incidents and accidents. Based on accident investigations, PHM will improve its operations and correct any shortcomings. In addition, work hazards are assessed in the units, leading to staff training and instructions on the use of appropriate protective equipment. Training is provided to key employees (top and middle management, unit heads and heads of support functions) to promote diversity and prevent discrimination.

PHM Group continues to take actions to improve the employee experience and attract new employees and pay more attention to recruitment practices. This includes continuing mandatory training, especially in diversity and anti-discrimination, preparing for the Pay Transparency Directive, and continuing training programmes and on-the-job training. These actions are supported by resources from both the Group's support functions and the support functions of the operating countries.

PHM Group creates job advertisements in a way that they are non-discriminatory, and many positions are accessible without formal education and with minimal language skills. Whenever possible, PHM Group's HR specialists participate in training programmes related to the recruitment of immigrants and translate workplace information and training materials into multiple languages. Whenever possible, individuals with low language skills can work with a partner or team from whom they can receive translation assistance.

PHM Group operates in countries where there are either minimum wages or collective agreements that guarantee industry-standard wages for everyone. Due to the ongoing integration processes and different stages of maturity of the operating countries, besides the safety management goals in Finland, PHM Group did not have any Group-wide measurable goals, metrics, or resources in 2024, and was unable to report on them. Due to the ongoing integration and different stages of maturity of the operating countries, resources have not yet been defined in a harmonised manner.

In case a negative impact occurs, PHM Group's employees have channels to report and to be heard and for their case to be investigated. PHM has a process in place for investigating occupational accidents, discrimination and/or harassment and cases that fall under the Whistleblower Protection Act. The implementation of these processes may vary in operating countries. PHM Group does not currently have a harmonised way of assessing the effectiveness of remediation. PHM considers that one of the most essential ways to address negative effects is to train and educate supervisors and team leaders.

In 2024, PHM Group had not yet harmonised or documented personnel-related processes in the Group regarding negative impacts.

The effectiveness of actions and initiatives in delivering outcomes for PHM Group's own workforce is tracked and assessed through monitoring and evaluation processes, including feedback from employee surveys and safety audits. Teams create development plans based on the results of employee surveys, and the results are used in planning strategic actions for the following year. These processes are supported by resources from both the Group's support functions and the support functions of the operating countries. The Group also uses KPI metrics to monitor employee engagement, leadership quality, sick leave, and turnover in operating countries where these data capabilities exist.

PHM Group has not identified any material financial sustainability risks concerning its own workforce. Regarding the financial sustainability opportunities, individual units make their own recruitment decisions and some of them participate in immigration employment projects, however, these are not documented at Group level.

It is PHM Group's understanding that its own policies and practices do not cause or contribute to material negative impacts on its own workforce. The policy implementation includes, e.g., relevant training in terms of procurement, sales and data use. However, these practices cannot guarantee the prevention of potential wrongdoings by individual employees. PHM Group's key actions related to own workforce described in this Sustainability Statement are fundamentally Group-wide in nature, except where otherwise mentioned in connection with the description of key actions or performance indicators.

S1-5 Targets

Safe and diverse workplace

In 2024, PHM Group was not able to set outcome-oriented targets for all its operating countries in terms of safe and diverse workplace due to different stages of maturity of PHM Group's country organisations regarding safety management. Only PHM Finland had such safety management and reporting capabilities that enable target setting and monitoring.

Safety management

In PHM Finland, the target was to reduce workplace accidents by 50% each year. This target is aligned with the policy objectives of, for example, PHM Group's Safety and Security Handbook. This target was not, however, aligned with any Group-wide strategies or policy objectives, which will be developed in 2025. The target applies to all employees of integrated companies within PHM Finland. Stakeholders outside of PHM Group's Management Team and PHM Finland's Management Team have not been consulted in setting the target.

Progress towards the target is measured on a monthly basis and reported to both Group Management Team and PHM Finland Management Team on a quarterly basis. The tracking of the target against performance also took place in the occupational health and safety committees as defined by national legislation. Improvements are identified in the safety reporting system, where investigation of any safety incidents is mandatory. The lessons learnt are also regularly shared with the operative management in the country.

In 2024, PHM Finland did not meet its target to reduce accidents at work. There was an exceptional number of slipping accidents at the beginning of the year, and several relatively large companies, where many accidents occurred, were integrated into the Group. Additionally, the process for reporting accidents was made easier, and increased awareness within the line organisation about workplace safety led to an increase in the number of minor accidents being reported. However, the more significant aspect is that the severity of accidents was lower compared to the previous year. PHM Group expects safety management and reporting to develop in other operating countries during 2025, especially in Sweden in Norway.

Health and safety metrics

2024	
Percentage of people in its own workforce who are covered by the undertaking's health and safety management system [1]	100%
Number of fatalities as a result of work-related injuries and work-related ill health [2]	0
Number and frequency of recordable work-related accidents (TRIF)	Number of accidents [3]: 480
	Accident frequency [4]: 56
Number of cases of recordable work-related ill health [5]	4
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health [6]	Number of days lost: 3,416

[1] All PHM Group's own employees are covered by health and safety management systems in accordance with the requirements of local legislation.
[2] Number of fatalities includes all PHM's operating countries.
[3] Number of accidents include full-year data for Finland, Sweden and Germany. Due to the different reporting capabilities of the countries, the Danish figures include data for Q3–Q4 and the Norwegian figures for Q1–Q3. Data were not available for Switzerland.
[4] Work-related accident frequency/TRIF (number of accidents in relation to worked hours) only covers Finland, as reporting capabilities vary in other countries of operation.
[5] Number of cases of recordable work-related ill health covers Finland, Sweden and Norway.
[6] Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health cover Finland, Sweden, Germany and Switzerland.

In 2024, there were no significant changes in targets and corresponding metrics or underlying measurement methodologies, significant assumptions, limitations, sources and processes to collect data adopted within the defined time horizon.

Employee well-being and satisfaction

In 2024, PHM Group's objective was to constantly improve employee satisfaction by following KPIs such as eNPS (Employee Net Promoter Score). PHM Group measures employee satisfaction and workplace well-being annually, although outcome-oriented targets were not set yet in 2024 due to data-related limitations in operating countries. However, PHM Group tracks the effectiveness of its policies and actions in terms of employee satisfaction and well-being by, for example, conducting an annual employee satisfaction survey, discussing the results in the Group and Country Management Teams and making unit or team-specific action plans to improve employee satisfaction and well-being.

In 2024, there were no significant changes in targets and corresponding metrics or underlying measurement methodologies, significant assumptions, limitations, sources and processes to collect data adopted within the defined time horizon.

Due to the ongoing integration processes and country organisation development matters, no other targets existed for material impacts, risks and opportunities regarding own workforce in 2024. For the same reason, PHM Group did not have a common process for target-setting, tracking, and identifying lessons learnt or improvements as a result of its performance. Workforce representatives may be involved, depending on the company and country, as well as the integration status, in discussing target achievement and improvements.

S1-6 Characteristics of PHM Group's employees

The number of employees is reported as an average headcount of the year. Headcount includes all employees directly employed by PHM Group within a given month.

The employee data is collected from the HRM system or equivalent in place in each operating country. Staff numbers are the average number of staff for 2024 and they are collected on the last day of each month. Due to different calculation methods, the total number of employees reported in the Sustainability Statement does not fully correspond to the average number of employees reported in the PHM financial reporting (LFL).

Gender	Number of employees (headcount)
Female	5,489
Male	7,945
Other	0
Not reported	0
Total Employees	13,434

Country	Number of employees (headcount)
Finland	4,362
Sweden	2,216
Norway	1,425
Denmark	1,548
Germany	1,607
Switzerland	2,276

Employees by contract type, disaggregated by gender (in number of employees)

2024	Female	Male	Other	Not disclosed	Total
Number of employees (head count)	5,489	7,945	0	0	13,434
Number of permanent employees	4,586	6,733	0	0	11,319
Number of temporary employees	903	1,212	0	0	2,115
Number of non-guaranteed hours employees	0	0	0	0	0
Number of full-time employees	2,404	5,241	0	0	7,645
Number of part-time employees	2,435	1,805	0	0	4,240

In the absence of gender breakdown data, weighted averages have been used for PHM Germany.

2024	Employee turnover
Total number and rate of own employee turnover in the reporting period in head count	Total number of employees who have left in 2024: 2,433 Turnover rate: 18%

Turnover rate does not include PHM Denmark due to lack of a centralised HRM system.

Distribution of employees by age group

Age group	Number of employees	Distribution
Under 30 years old	2,448	21%
30-50 years old	5,612	48%
Over 50 years old	3,733	32%
Total	11,793	100%

The breakdown by age group does not include employee data from PHM Denmark.

S1-17 – Human rights impacts

In 2024, PHM Group did not collect information at a Group level regarding the number of possible incidents or filed complaints of discrimination, including harassment, based on gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation, or other relevant forms of discrimination involving internal and/or external stakeholders.

In 2024, PHM Group was not aware of any known or reported incidents of severe human rights violations, such as forced labour, human trafficking, or child labour, connected to its workforce. Consequently, PHM Group was not aware of cases of non-respect of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises.

PHM Group was not aware of any severe human rights incidents, which include lawsuits, formal complaints through the Group's or third-party complaint mechanisms, serious allegations in public reports or the media, where these are connected to the Group's own workforce.

In 2024, PHM Group did not receive any fines or penalties for discrimination or human rights violations.

	2024
Work-related incidents of discrimination	
Total number of incidents of discrimination, including harassment, reported	0
Number of complaints filed through channels for own workforce to raise concerns	0
Total amount of fines, penalties and compensation for damages for the incidents	EUR 0
Severe human rights incidents (e.g., forced labour, human trafficking or child labour)	
Number of severe human rights incidents connected to the workforce	0
Total amount of fines, penalties and compensation for damages for the incidents	EUR 0

S4 Consumers and end-users

S4 Material impacts, risks and opportunities (ESRS 2 SBM-3)

Personal health and safety of customers and end-users are fundamental characteristics of PHM Group's services, and they are also identified as a positive material impact of the company. PHM Group's mission is to take care of people by taking care of their living environment and consequently improve the safety and the well-being of its customers. This is realised in the services that PHM Group offers.

In terms of information-related impacts for consumers and/or end-users, PHM Group has identified helping its customers improve their property management and protect the value of their properties as another material impact. This impact is related to PHM Group's property management services, especially financial management services, which provide information, consultation and tools for the customers to manage their properties in a financially sustainable manner. Both impacts are inherent in PHM Group's business model and the strategy, which were not amended based on the double materiality assessment in 2024.

PHM Group has not identified material risks and opportunities regarding the end-users of its services, but considers the dependency between its positive impacts and its strategy and business model to continue to bring strong business opportunities in the future. PHM Group has identified some potential impacts, risks and opportunities relating to customers' data security and technical safety solutions in residential buildings, however, they were not assessed as material in the double materiality assessment conducted in 2024, and thus, are not covered in this Sustainability Statement.

PHM Group's services improve safety and well-being

PHM Group considers all its customers or end-users of its services to be included in the scope of ESRS 2 disclosures. Typically, the customers impacted by PHM Group's services and material impacts are residents or tenants of properties whose personal safety and well-being are improved by the company's services. In addition, the boards of housing companies and the owners of the buildings benefit from the property management services and support in helping the customers protect the value of their properties. PHM Group does not offer property management services in Finland.

PHM Group's services are linked to positive impacts for end-users. For example, removing snow and ice, improving lighting, and cleaning residential and commercial spaces prevent accidents from happening, increase living and working comfort and have positive health effects. The boards of housing companies and the owners of the buildings also benefit from property management services that protect and improve the value of their properties and increase economic well-being. The positive impacts take place in all PHM Group's operating countries.

PHM Group does not identify its services having harmful effects to end-users in the forms of chronic diseases, rights to data privacy, personal data protection, freedom of expression or discrimination. PHM Group's services are also not identified as being easily damaged by the customers due to lack of accurate and accessible manuals, since the service is typically produced without end-users' involvement. PHM Group's services, sales and marketing do not have harmful effects on vulnerable people. PHM Group has not identified any negative impacts of its services on the customers or end-users nor material risks for the business.

S4-1 Policies

PHM Group’s policies regarding consumers and end-users are presented in the table below.

Name of the policy	General objectives	Key contents	Related material impacts, risks or opportunities	Scope of the policy	Process for monitoring
Code of Conduct	To communicate the company's commitment to ethical business conduct, and help employees understand its implications and grievance mechanisms	- Working in customer’s premises and integrity - Respectful behavior - Safety - Environmentally sustainable business - Fair competition - Anti-corruption - Anti-money laundering - Conflict of interest - Protecting the company’s property, confidential information and privacy - Economic sanctions and trade controls - Confidentiality and reporting - Whistleblowing	PHM Group increases the safety, the well-being and living comfort of over one million residents in their properties through its service offering. PHM Group's property services have positive impacts in all PHM operative countries and all types of residential properties. PHM Group helps its customers to protect the value of their properties. PHM Group offers property management and financial management services in all operating countries except Finland and, thus, support its customers' economic sustainability.	The entire Group and all its employees, business activities in all operating countries (own operations) as well as direct suppliers and subcontractors in all its business activities and subcontractors (value chain)	Code of Conduct online training for all employees, mandatory in induction and integration phases
Privacy policy	To inform employees on matters regarding the General Data Protection Regulation, GDPR	- Privacy and data protection at PHM Group - Processing of personal data - Principles to be followed when processing personal data - The controller’s responsibility and accountability - Data processing agreements and data processing on behalf of PHM Group - Data transfers outside the EU/EEA - Data security and personal data breaches	PHM Group helps its customers to protect the value of their properties. PHM Group offers property management and financial management services in all operating countries except Finland and, thus, support its customers' economic sustainability.	The entire Group and all its employees, business activities in all operating countries (own operations) as well as direct suppliers and subcontractors in all its business activities and subcontractors (value chain)	Privacy online training for all employees, mandatory in induction and integration phases

PHM Group has processes to ensure the quality of its services relating to, for example, business development, improving customer satisfaction, reclamation handling, and meetings with the customers. PHM Group's whistleblowing channel is available for customers on the company's website.

PHM Group's Code of Conduct is applicable to all employees and all business operations in all countries. The Code of Conduct covers essential human rights issues, yet it currently does not fulfill all the requirements of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. PHM Group will develop its human rights due diligence processes in 2025. In 2024, PHM Group did not have a specific policy regarding consumers and end-users that would be in accordance with the aforementioned guidelines.

In 2024, PHM Group did not identify cases of non-respect of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises that involve consumers and/or end-users in its value chain.

S4-2 Engagement with customers and end-users

In the end of 2024, PHM Group had approximately 51,000 contract customers, mostly consisting of housing companies and other residential customers, but also commercial customers, such as shopping centres, production facilities, and warehouses. The processes for engaging with customers (end-users) vary based on the customer type, and can include, for example, customer satisfaction surveys, regular meetings with customers, quality inspections, and reclamation handling processes. In these processes, PHM Group has an opportunity to consider any actual or potential positive or negative impacts that may affect the customers and uses this feedback in developing services and processes.

PHM Group does not have a Group-wide due diligence process in terms of customers.

PHM Group defines "customers" as being, e.g., the boards of housing companies, institutional residential investors, representatives of large companies or a public institution, such as a municipal body. The "end-users", however, are typically residents or users of the different buildings. In the residential business, PHM Group typically engages with, for example, the boards of housing companies or property managers that represent the "end-users", i.e., residents. In the commercial business, PHM Group typically engages with, for example, property managers that represent the property owners. The engagement with these representatives occurs throughout the customer relationship, and the frequency varies based on customer type and contract.

The perspectives of customers (end-users) that may be particularly vulnerable to impacts and/or marginalised with, for example, disabilities, are considered on a case-by-case basis. As a property services company, PHM Group's operative unit taking care of a residential building is typically informed by the boards of housing companies or property managers about special needs or requirements in a building and its surrounding area.

PHM Group's Country Directors, all represented in the Group Management Team, have operational responsibility for ensuring proper customer engagement. PHM Group conducts a large customer satisfaction survey each year, which is one way of assessing effectiveness in customer engagement. Customer engagement is also a part of the double materiality assessment.

S4-3 Processes to remediate negative impacts and notification channels

PHM Group has not identified any material negative impacts for customers or end-users of its services. PHM Group is committed to observing ethical principles as well as legislation, instructions and regulations in its business operations. PHM Group's customers or end-users may raise their concerns directly with the local unit that is providing services to their premises either by contacting their account manager, the head of the unit, the customer service or the on-call service. Customers and end-users typically have different means at their disposal to contact the local unit: either by phone, email, online contact form or a physical meeting with a PHM Group representative from a local unit.

PHM Group's customers and end-users can report any suspicions related to possible illegal behaviour, misconduct or violations of the company's Code of Conduct through its whistleblowing channel available in seven languages at the Group website. PHM Group operates in accordance with the Whistleblower Protection Act that protects reporters from retaliation. PHM Group's whistleblowing process is covered more in-depth in ESRS S1-3 and G1-1 in this Sustainability Statement. In 2024, PHM Group did not have a process in place to assess whether customers are aware of the channels mentioned in this chapter and how much customers rely on them as a way to raise their concerns or needs and have them addressed.

PHM Group does not have specific processes to systematically promote the availability of the channels mentioned in this chapter to customers and end users.

S4-4 Actions

PHM Group has identified material positive impacts of its business regarding the customers and end-users, which for PHM Group primarily means residents and users of the buildings and premises that PHM Group maintains, cleans or manages.

PHM Group's services on customers' properties contribute to the positive social impact of increasing the health, safety and the well-being of residents in their daily lives. PHM Group believes that the effectiveness of its actions and initiatives in delivering intended outcomes for consumers and end-users is assessed in the customer satisfaction survey. PHM Group measures customer satisfaction on an annual basis. In addition, feedback from the customers is received through various channels.

Target: PHM Group improves customer satisfaction

Key actions in 2024:
- PHM Digital was launched in Finland to offer a digital service platform for property maintenance customers. Improving PHM Digital for property management customers continued in Sweden.
- PHM ASKI cleaning concept was launched for residential customers in Finland to increase quality, efficiency and environmental considerations in cleaning.
- Customer satisfaction survey was conducted in all operating countries, which was followed by country- and unit-specific development plans.

For the Group, PHM Digital is a major project for customer-centric development. The service enables the boards of housing companies, property managers and residents to manage their properties and communicate with local PHM Group units.

The launch of the PHM ASKI cleaning concept for housing company customers in Finland is an example of PHM's positive social impact on the daily lives of its customers. A total of around 120 professional cleaners and their supervisors within PHM Group participated in the development of the service concept, a result of which is more efficient, safer and more environmentally friendly cleaning for PHM's customers in Finland.

Key actions in 2025:
- The roll-out of PHM Digital will be extended beyond Finland and Sweden – the development of PHM Digital content and functionality will also continue.
- Customer satisfaction measures continue as identified in the development plans.

Outcome: PHM Group's customers are satisfied with the services offered, Group expertise and the customer service, which PHM believes will impact positively e.g. customer loyalty and organic growth.

PHM Group has not identified any severe human rights issues or incidents connected to its services and its customers or end-user. PHM Group does not publish information on resources allocated for managing positive impacts on customers due to business sensitivity. PHM Group's key actions related to customers and end-users described in this Sustainability Statement are fundamentally Group-wide in nature, except where otherwise mentioned in connection with the description of key actions or performance indicators.

S4-5 Targets

Customer satisfaction as a business target

PHM Group identifies improving customer and end-user safety and well-being, as well as supporting customers in protecting their property's value, as material positive impacts. These goals are embedded in the company's mission and are central to its daily operations: PHM Group's mission is to take care of people by taking care of their living environment. Therefore, PHM Group primarily identifies this material matter as a business matter, which is why a sustainability target for this material matter does not exist. However, PHM Group has internal targets in terms of, for example, the development of net sales and EBITA, which are directly linked to how the company serves its customers and conducts its daily tasks. PHM Group did not identify material sustainability risks or opportunities regarding the customers.

PHM Group continuously strives to improve customer satisfaction and reduce churn. In addition, PHM Group measures and monitors customer satisfaction (e.g. NPS) and customer churn in all its operating countries, which are also key performance indicators. The management of customer loyalty, satisfaction and feedback is an integral part of the day-to-day operations of the Group and its units. All information obtained from the customer satisfaction survey, including suggestions for improvement or negative feedback, is forwarded to the units, regions and operating countries concerned, which also take the necessary measures to improve their performance. The Country Directors monitor the implementation of the development measures.

In addition, PHM Group has naturally set internal targets for the development of net sales and EBITDA, for example, which are directly linked to the Group's ability to serve its customers and carry out its day-to-day tasks.

The business targets regarding, e.g., net sales and EBITA, are applicable to each financial year and strategy period. PHM Group does not publicly report its financial targets. PHM Group's Management Team, the Board of Directors, Country Management Teams and operative units as stakeholders have been consulted in setting the business targets.

In 2024, there were no significant changes in targets and corresponding metrics or underlying measurement methodologies, significant assumptions, limitations, sources and processes to collect data adopted within the defined time horizon.

4. Governance information

G1 Business conduct

G1 Governance (ESRS 2 GOV-1)

PHM Group Holding Oyj's governance and control is divided between the PHM Group Holding Oyj's General Meeting of Shareholders and Board of Directors as well as the CEO of PHM Group. The General Meeting of Shareholders elects and dismisses members of the Board of Directors, elects the auditor and the sustainability auditor and decides upon their respective remunerations. In addition, the General Meeting of Shareholders approves the audited annual accounts and decides upon the use of profit or loss shown by the annual accounts. The Board of Directors is responsible for PHM Group's administration and operations and has a general task to organise and oversee management. The Board of Directors is responsible for the appropriate arrangement of the control of PHM Group's accounts and finances. PHM Group Holding Oyj's Board of Directors further decides upon the annual budget, business plan and strategy.

The CEO of PHM Group Holding Oyj is responsible for the executive management of PHM Group in accordance with the instructions and orders given by the Board of Directors (general competence). PHM Group Holding Oyj's CEO is responsible for ensuring that the accounts of PHM Group are in compliance with the law and that its financial affairs have been arranged in a reliable manner. The CEO shall supply the Board of Directors with the information necessary for the performance of the duties of the Board of Directors. The CEO chairs the meetings of the Group's Management Team, which assists the CEO in the operative management of the Group. In its decision-making and governance, PHM Group Holding Oyj complies with the applicable laws and regulations, the Code of Conduct as well as other applicable rules and regulations. The foreign subsidiaries comply with local legislation.

Each of the members of the Board of Directors of PHM Group Holding Oyj holds or has held memberships in other corporate Boards and has extensive experience in business management and governance. The PHM Group's Management Team consists of persons in leadership positions in several countries and versatile fields of expertise such as finance, legal, corporate responsibility, HR and IT. Each member of the Management Team has previous experience working in management positions before joining PHM Group. The Management Team's composition provides a diverse and comprehensive understanding and experience regarding business conduct and corporate culture-related matters in PHM Group.

G1-1 Policies and corporate culture

PHM Group's policies regarding business conduct are presented in the table below.

Name of the policy	General objectives	Key contents	Related material impacts, risks or opportunities	Scope of the policy	Process for monitoring
Code of Conduct	To communicate the company's commitment to ethical business conduct, and help employees understand its implications and grievance mechanisms	- Working in customer's premises and integrity - Respectful behavior - Safety - Environmentally sustainable business - Fair competition - Anti-corruption - Anti-money laundering - Conflict of interest - Protecting the company's property, confidential information and privacy - Economic sanctions and trade controls - Confidentiality and reporting - Whistleblowing	PHM Group's policies apply to all its companies. PHM Group increases the awareness of environmental, social and governance sustainability within the acquired companies, bringing even the small units under ESG regulation, which raises the standard for the entire industry. PHM Group has a well-established due diligence process for acquisitions, which reduces the risks of corruption and other misconduct. Transparency and compliance among acquired companies increases, which improves working conditions and helps secure the livelihoods of employees.	The entire Group and all its employees, business activities in all operating countries (own operations) as well as direct suppliers and subcontractors in all its business activities and subcontractors (value chain)	Code of Conduct online training for all employees, mandatory in induction and integration phases
Anti-corruption and bribery, and gifts and hospitality policy	To help employees identify corruption, bribery and conflict of interest, prevent them from happening and promote ethical business conduct	- Anti-corruption, gifts and hospitality - Facilitation/grease payments - Conflict of interest - Trading in influence - Anti-money laundering and terrorist financing - Reporting misconduct - Consequences of breach	PHM Group's policies apply to all its companies. PHM Group increases the awareness of environmental, social and governance sustainability within the acquired companies, bringing even the small units under ESG regulation, which raises the standard for the entire industry. PHM Group has a well-established due diligence process for acquisitions, which reduces the risks of corruption and other misconduct. Transparency and compliance among acquired companies increases, which improves working conditions and helps secure the livelihoods of employees.	The entire Group and all its employees, business activities in all operating countries (own operations) as well as direct suppliers and subcontractors in all its business activities and subcontractors (value chain)	Anti-corruption online training for key employees, mandatory in induction and integration phases

Name of the policy	General objectives	Key contents	Related material impacts, risks or opportunities	Scope of the policy	Process for monitoring
Competition law policy	To help employees identify potential breaches of competition law, prevent them from happening and promote ethical business conduct	- Contact between competitors - Trade organisations - Customer and supplier relationships - Abuse of dominant market position - Drafting documents and written expression - Competition authorities' powers of investigation - Instructions for an unannounced inspection and reporting misconduct	PHM Group's policies apply to all its companies. PHM Group increases the awareness of environmental, social and governance sustainability within the acquired companies, bringing even the small units under ESG regulation, which raises the standard for the entire industry. PHM Group has a well-established due diligence process for acquisitions, which reduces the risks of corruption and other misconduct. Transparency and compliance among acquired companies increases, which improves working conditions and helps secure the livelihoods of employees.	The entire Group and all its employees, business activities in all operating countries (own operations) as well as direct suppliers and subcontractors in all its business activities and subcontractors (value chain)	Competition law online training for key employees, mandatory in induction and integration phases
Economic sanctions policy	To help employees, particularly those working with suppliers and subcontractors and major customers, understand economic sanctions regimes and requirements for companies, as well as educate them on the process of sanctions screening and identifying red flags	- Responsibilities - Assessing sanctions-related risks - Sanctions screening process	PHM Group's policies apply to all its companies. PHM Group increases the awareness of environmental, social and governance sustainability within the acquired companies, bringing even the small units under ESG regulation, which raises the standard for the entire industry. PHM Group integrates the acquired companies into its strategy and systems, develops them and supports their growth and profitability. This helps ensure the livelihoods of its employees. PHM Group has a well-established due diligence process for acquisitions, which reduces the risks of corruption and other misconduct. Transparency and compliance among acquired companies increases, which improves working conditions and helps secure the livelihoods of employees.	The entire Group and all its employees, business activities in all operating countries (own operations) as well as direct suppliers and subcontractors in all its business activities and subcontractors (value chain)	The sanctions policy was created in 2024, and the implementation and training take place in 2025
Privacy policy	To inform employees on matters regarding the General Data Protection Regulation, GDPR	- Privacy and data protection at PHM Group - Processing of personal data - Principles to be followed when processing personal data - The controller's responsibility and accountability - Data processing agreements and data processing on behalf of PHM Group - Data transfers outside the EU/EEA - Data security and personal data breaches	PHM Group's policies apply to all its companies. PHM Group increases the awareness of environmental, social and governance sustainability within the acquired companies, bringing even the small units under ESG regulation, which raises the standard for the entire industry. PHM Group integrates the acquired companies into its strategy and systems, develops them and supports their growth and profitability. This helps ensure the livelihoods of its employees.	The entire Group and all its employees, business activities in all operating countries (own operations) as well as direct suppliers and subcontractors in all its business activities and subcontractors (value chain)	Privacy online training for all employees, mandatory in induction and integration phases

Name of the policy	General objectives	Key contents	Related material impacts, risks or opportunities	Scope of the policy	Process for monitoring
Sponsorship, charity and donations policy	To inform employees about good practices and ethical business conduct in terms of sponsorship, charity and donations, taking into account potential corruption and bribery risks as well as conflict of interest implications	- Sponsorship - Charity - Donations	PHM Group's policies apply to all its companies. PHM Group increases the awareness of environmental, social and governance sustainability within the acquired companies, bringing even the small units under ESG regulation, which raises the standard for the entire industry. PHM Group has a well-established due diligence process for acquisitions, which reduces the risks of corruption and other misconduct. Transparency and compliance among acquired companies increases, which improves working conditions and helps secure the livelihoods of employees.	The entire Group and all its employees, business activities in all operating countries (own operations) as well as direct suppliers and subcontractors in all its business activities and subcontractors (value chain)	On a needs basis, training and instructions given by marketing and finance functions
Safety and security handbook	To outline Group safety and security management, identify actions, roles and responsibilities, and communicate targets to different country organisations	- Roles and responsibilities - Country-level safety and security management - Safety reporting - Workplace accident process - Workplace safety and security incident process - Safety and security requirements	PHM Group's policies apply to all its companies. PHM Group increases the awareness of environmental, social and governance sustainability within the acquired companies, bringing even the small units under ESG regulation, which raises the standard for the entire industry.	The entire Group and all its employees, business activities in all operating countries (own operations) as well as direct suppliers and subcontractors in all its business activities and subcontractors (value chain)	Group-wide safety and security management harmonisation, safety reporting development across the Group

As PHM Group grows rapidly, both through acquisitions and organically, the company aims to ensure that all units follow the same policies, which develops the basis for good business conduct and responsible corporate culture.

PHM Group's corporate culture is built around the company's values, Code of Conduct, policies and leadership principles. All the aforementioned policies include remediation actions except the Sanctions policy and the Sponsorship, charity and donations policy. PHM Group acquires approximately 30 companies yearly, which poses a challenge for establishing a deep-rooted corporate culture.

The minimum level of corporate culture, business conduct and compliance are achieved through following PHM Group's three-step integration process that outlines how and when the acquired companies are introduced to company policies, processes and training. The corporate culture is evaluated, for example, in the annual employee satisfaction survey, which allows employees to give feedback about leadership and management, ways of working and any challenges identified.

Mechanisms for identifying breach of Code of Conduct

PHM Group's Management Team monitors compliance with the company's Code of Conduct and policies. The primary responsibility for monitoring compliance lies with the Group General Counsel and the Director of Group Corporate Affairs. PHM Group's employees conduct a series of Code of Conduct and policy training, which enable them to identify unlawful behaviour or behaviour that is in contradiction of the company's Code of Conduct or policies.

PHM has a Group-wide anonymous whistleblowing channel, available in seven languages, for reporting suspected misconduct in the manner stipulated by the applicable legislation. The whistleblowing channel is available to both internal and external stakeholders on the Group's website.

During Code of Conduct and policy training, the employees receive information on how to report suspected violations of laws and regulations, as well as other misconduct.

The Group's whistleblowing policy defines that whistleblowers shall be protected against any adverse act or omission as a consequence of, or a reaction to, reporting the matter (retaliation). This includes becoming subject to:
- threats, harassment, unjust discrimination, social exclusion or other unfair treatment
- warning, unjustified change of work tasks, relocation or degradation; or
- suspension, termination (with notice or by summarily dismissal) or disciplinary punishment.

The Group ensures that the whistleblower has a safe and proper working environment. If necessary, the Group implements measures to protect the whistleblower against retaliation.

PHM Group has procedures to investigate business conduct incidents, including incidents of corruption and bribery, according to its Anti-corruption and bribery, and gifts and hospitality policy. Possible incidents are investigated independently and objectively following whistleblowing practices and may be reported to the relevant public authorities, if necessary.

PHM Group's Finance department has internal controls in place for preventing financial mismanagement and crime. Group Finance is responsible for providing accounting policies and other guidelines for operating countries' finance departments. The segregation of duties is implemented in the finance departments within the limits of possibilities in each operating country. PHM Group has a structured and detailed monthly reporting process with clearly defined roles and responsibilities, which contributes to detecting any financial mismanagement. The "PHM Partner Model" has been introduced to facilitate the alignment of the acquired companies' policies, processes and system environment.

PHM Group's interpretation is that the company's Anti-corruption and bribery, and gifts and hospitality policy is aligned with the United Nations Convention against Corruption, but does not have an internal audit function as recommended by the Convention. In 2024, PHM Group did not have a timetable for establishing an internal audit function in the company. The company believes that existing processes, controls and grievance mechanisms are sufficient for anti-corruption and anti-bribery purposes.

PHM Group does not have a policy with respect to animal welfare as it is not considered essential for the industry.

Training the employees on responsible business conduct

PHM Group has a mandatory online Code of Conduct training for all employees. There are two different training programmes: one for white-collar employees and one for blue-collar employees. The training for white-collar employees is more in-depth in nature.

PHM Group has an online training programme for key employees, which means top and middle management, unit heads and heads of support functions. The training programme includes topics such as anti-corruption and bribery, data privacy, competition law, and anti-discrimination and diversity.

The training programmes are offered as part of onboarding for new employees and also as part of PHM Group's three-step integration process for the employees of acquired companies. The integration process outlines how and when the acquired companies are introduced to these programmes. Functions at risk of facing corruption or bribery in their work are mostly people working in procurement and sales either at the Group-level, in country organisations or in the local units, and supervisors and other persons in positions of making decisions on purchases and sales.

G1-3 Prevention of corruption and bribery

PHM Group organises training on anti-corruption and anti-bribery to its key employees, with the emphasis of identifying different forms of corruption and bribery as well as high-risk situations and avoiding typical pitfalls. The training also highlights roles and responsibilities, and how and where to report possible incidents of corruption. Key employees include the Group Management Team, middle management, heads of unit and the heads of support functions both in the Group and in operating countries.

Training is offered as part of onboarding for key employees and also as part of PHM Group's three-step integration process for the employees of acquired companies. The integration process outlines how and when the acquired companies are introduced to these training programmes. The nature, scope and depth of PHM Group's anti-corruption and anti-bribery training is estimated to be suitable for PHM's business, risk profile and the roles and responsibilities of employees at different levels of the organisation.

Code of Conduct training, mandatory for all employees, is meant to help employees identify basic elements of corruption and instruct how and where to report possible incidents. Anti-bribery and corruption training for key employees is more in-depth in nature.

The training programmes offered online must be completed successfully. The Code of Conduct and Anti-corruption and anti-bribery training programmes are provided to all administrative, management and supervisory bodies except the Board of Directors. All Group policies are accessible for employees in the Group's intranet in all seven Group languages.

About 70% of key employees in Finland, Sweden, Norway and Denmark identified as most-at-risk of facing corruption or bribery participated in the mandatory training as early as 2023. Since then, there hasn't been much change in personnel in the relevant positions. Key employees include different levels on management, heads of units and sales and procurement personnel in the support functions. The participation percentage is not available for 2024, because in 2024 the training programmes were not actively arranged. Training development efforts were directed to making e-learning available in all operating countries.

The entire Group Management Team has participated in the Code of Conduct training and training programmes related to Group policies, or they have been otherwise introduced to these topics. The Board of Directors has not been trained since it does not participate in the operative work or make operative decisions in terms of, for example, procurement or sales, which have been identified as functions most at-risk of facing corruption.

PHM Group's whistleblowing channel is offered by an external service provider, which ensures anonymous handling of the reports. Reports made through the whistleblowing channel are handled by the Whistleblowing Committee, i.e., three members of the Group Management Team as well as two persons in the support functions in Sweden and Switzerland. In this way, the company ensures that there are always neutral persons receiving the report and taking appropriate action, and that the Group Management Team also receives the information.

PHM Group's Finance department has a policy for approval limits that covers new contracts, procurement, investments, recruitments, pay raises and purchase invoices. PHM Group has defined its related parties, and confirmations of any related party transactions are collected twice a year.

G1-4 Incidents of corruption or bribery

PHM Group continuously strengthens its ethical business principles and the integration of acquired companies into the Group's policies, processes and business practices. By establishing awareness and controls, the company can prevent, e.g., corruption and bribery, breaches of competition law, discrimination and unequal treatment and other unwanted behaviour. PHM Group's business conduct related key actions described in this Sustainability Statement are fundamentally Group-wide in nature, except where otherwise mentioned in connection with the description of key actions or performance indicators.

Target: All PHM employees have completed training in the Code of Conduct.

Key actions in 2024:

- Preparations were made to expand the online Code of Conduct training to operating countries outside of Finland.
- Policy training for senior and middle management, including topics such as anti-corruption and bribery, competition law, privacy and anti-discrimination, was developed into an e-learning series and became a mandatory part of integration for acquired companies in Finland. Preparations were made to have it available in operating countries outside of Finland.
- Policy regarding economic sanctions and a sanctions screening process was developed; procurement and sales experts will be trained in sanctions screening matters Group-wide in 2025.
- Double materiality assessment was conducted to identify the most important sustainability and reporting topics in accordance with CSRD and ESRS reporting standards.
- Throughout the year, preparations were made for sustainability reporting according to the ESRS.

Key actions in 2025:

- Online training on the Code of Conduct will be launched in Sweden, Norway, Denmark, Germany and Switzerland, depending on the integration schedule and general IT and HR development in these countries.
- Policy training, including topics such as anti-corruption and bribery, competition law, privacy and anti-discrimination, for senior and middle management will be launched in Sweden, Norway, Denmark, Germany and Switzerland, depending on the integration schedule and general IT and HR development in these countries.
- Preparations for Corporate Sustainability Due Diligence Directive will commence.

Outcome: PHM Group strengthens the ethical business principles and the integration of the acquired companies into the Group's policies, processes and business practices. By establishing awareness and controls, the company can prevent, e.g., corruption and bribery, breaches of competition law, discrimination and unequal treatment and other unwanted behaviour. PHM Group has further developed its sustainability reporting capabilities and transparency and is better able to respond to the information needs of its stakeholders.

In 2024, PHM Group did not receive any convictions or fines for violation of anti-corruption and anti-bribery laws. PHM Group did not identify any breaches in procedures and standards of anti-corruption and anti-bribery during 2024 nor took any actions on them.

Anti-corruption and anti-bribery training

	At-risk functions 2024	Other own workers 2024	At-risk functions 2023	Other own workers 2023
Training programmes in total	44	57	261	0
Delivery method				
Remote classroom	Not provided	Not provided	175	0
E-learning platform	44	57	86	0
Topics covered				
Definition of corruption	x	x	x	-
Definition of bribery	x	x	x	-
Characteristics of bribery	x	x	x	-
Gifts and hospitality	x	x	x	-
PHM Group's guidelines for gifts and hospitality	x	x	x	-
Conflict of interest	x	x	x	-
Other forms of corruption or bribery	x	x	x	-
Procedures on suspection detection	x	x	x	-

Most key employees of the Group have received anti-corruption and bribery training as early as 2023, either as remote class-room training or on an e-learning platform. Due to unfinished integration processes of IT and HR-systems, most new units at the Group outside of Finland did not receive the training on PHM Group's e-learning platform in 2024. However, most at-risk functions received the training earlier and generally consist of the same personnel in the same positions.

Financial Statements 2024

Consolidated Financial Statements (IFRS)

Consolidated statement of financial position

EUR thousand	Note	31.12.2024	31.12.2023
Assets			
Non-current assets			
Goodwill	3.2	924,254	624,621
Intangible assets	3.3	263,005	183,198
Tangible assets	3.4	97,215	78,335
Right-of-use assets	3.5	80,808	47,701
Other shares and investments	4.8	4,641	3,011
Other receivables	3.6	1,550	842
Deferred tax assets	2.5	5,544	3,295
Total non-current assets		**1,377,017**	**941,004**
Current assets			
Trade receivables	3.6	102,228	87,121
Inventories		2,935	3,243
Loan receivables	4.3	496	138
Other current assets	3.6	38,773	29,171
Cash and cash equivalents	4.4	55,011	35,026
Total current assets		**199,444**	**154,699**
Total assets		**1,576,461**	**1,095,703**

EUR thousand	Note	31.12.2024	31.12.2023
Equity and liabilities			
Equity			
Share capital	4.7	80	80
Fund for unrestricted equity	4.7	261,644	208,239
Retained earnings		-32,820	-4,087
Translation differences		-6,917	3,296
Equity attributable to equity holders of the parent		**221,987**	**207,527**
Total equity		**221,987**	**207,527**
Non-current liabilities			
Interest-bearing loans and borrowings	4.1-4.3; 4.5	941,746	603,940
Other non-current liabilities	3.7	8,985	3,375
Defined benefit obligations	2.3	26,726	0
Lease liabilities	3.5; 4.5	56,186	29,476
Deferred tax liabilities	2.5	57,702	43,723
Total non-current liabilities		**1,091,346**	**680,514**
Current liabilities			
Trade payables and other payables	3.7	202,658	155,898
Interest-bearing loans and borrowings	4.1-4.3; 4.5	30,497	24,706
Lease liabilities	3.5; 4.5	27,873	19,459
Income tax payable	2.5	2,101	7,598
Total current liabilities		**263,128**	**207,662**
Total liabilities		**1,354,474**	**888,176**
Total equity and liabilities		**1,576,461**	**1,095,703**

Consolidated Statement of Profit and Loss

EUR thousand	Note	1.1.-31.12.2024	1.1.-31.12.2023
Revenue (net sales)	2.1.	**946,227**	**624,904**
Other operating income	2.2.	7,020	3,541
Materials and services	2.2.	-199,982	-155,538
Employee benefit expenses	2.3., 5.1.	-493,852	-307,493
Depreciations and amortisations	3.2.; 3.3.; 3.4.	-75,191	-45,400
Other operating expenses	2.2.	-121,761	-79,194
Operating profit (EBIT)		**62,461**	**40,819**
Financial income	2.4.	3,668	4,140
Financial expenses	2.4.	-85,489	-45,421
Profit before tax		**-19,360**	**-462**
Taxes	2.5.	3,512	-1,811
Profit for the financial period		**-15,848**	**-2,273**

Consolidated Statement of Other Comprehensive Income

EUR thousand	1.1.-31.12.2024	1.1.-31.12.2023
Profit for the financial period	**-15,848**	**-2,273**
Other items of other comprehensive income		
Items that may be reclassified to profit or loss in subsequent periods		
Exchange differences on translation of foreign operations, net of tax	-10,213	11,005
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit liability (asset)	-9,977	0
Other comprehensive income/(loss) for the year, net of tax	**-20,190**	**11,005**
Total comprehensive income for the financial period	**-36,038**	**8,732**
Profit for the period attributable to		
Equity holders of the parent	-15,848	-2,273
Non-controlling interests	0	0
Total comprehensive income attributable to		
Equity holders of the parent	-36,038	8,732
Non-controlling interests	0	0

Consolidated statement of Cash Flows

EUR thousand	2024	2023
Operating activities		
Profit (loss)	-15,848	-2,273
Adjustments to reconcile profit before tax to net cash flows:		
Income tax expenses	-3,512	1,811
Depreciation and impairment	75,191	45,400
Finance income and expenses	81,821	41,284
Other adjustments	-6,643	-3,846
Change in working capital	22,519	545
Other adjustments without payment	6,948	-2,792
Income tax paid	-8,223	-3,439
Net cash flow from operating activities	**152,253**	**76,689**
Net cash flow from investing activities		
Acquisition of tangible and intangible assets	-32,809	-22,490
Acquisition of a subsidiary, net of cash acquired (Note 3.1.)	-360,230	-222,710
Net cash flow from investing activities	**-393,039**	**-245,201**

EUR thousand	2024	2023
Net cash flow from financing activities		
Proceeds from fund for unrestricted equity	52,094	48,002
Paid dividends and other distribution of profit	-1,468	-1
Net change in borrowings*	314,612	178,655
Net interests and finance costs paid	-72,962	-35,083
Payments of lease liabilities	-31,116	-18,807
Net cash flow from financing activities	**261,159**	**172,767**
Net increase in cash and cash equivalents	**20,373**	**4,255**
Effect of exchange rate changes on cash and cash equivalents	-388	-861
Cash and cash equivalents at 1 Jan (4.4.)	35,026	31,632
Cash and cash equivalents at 31.12.	**55,011**	**35,026**

*Net change in borrowings

EUR thousand	2024
Proceeds from borrowings	367,281
Repayment of borrowings	-50,741
Net change in loans receivable	-1,928
Total	**314,612**

Consolidated statement of Changes in Equity

2024			Equity belonging to the Parent Company			
EUR thousand	Note	Share Capital	Fund for unrestricted equity	Translation differences	Retained earnings	Total equity
Equity on 1.1.2024		**80**	**208,238**	**3,296**	**-4,087**	**207,527**
Profit for the period		0	0	0	-15,848	-15,848
Other comprehensive income	4.7.	0	0	-10,213	-9,977	-20,190
Total comprehensive income		**0**	**0**	**-10,213**	**-25,825**	**-36,038**
Increase in Fund for unrestricted equity	4.7.	0	53,405	0	0	53,405
Distribution of profit to Parent company	4.7.	0	0	0	-2,867	-2,867
Reclassification	4.7.	0	0	0	0	0
Other changes		0	0	0	-41	-41
Equity on 31.12.2024		**80**	**261,643**	**-6,917**	**-32,820**	**221,987**

2023			Equity belonging to the Parent Company			
EUR thousand	Note	Share Capital	Fund for unrestricted equity	Translation differences	Retained earnings	Total equity
Equity on 1.1.2023		**80**	**160,238**	**-7,709**	**-393**	**152,216**
Profit for the period		0	0	0	-2,273	-2,273
Other comprehensive income	4.7.	0	0	11,005	0	11,005
Total comprehensive income		**0**	**0**	**11,005**	**-2,273**	**8,732**
Increase in Fund for unrestricted equity	4.7.	0	48,000	0	0	48,000
Distribution of profit to Parent company	4.7.	0	0	0	-1,311	-1,311
Reclassification	4.7.	0	0	0	0	0
Other changes		0	0	0	-110	-110
Equity on 31.12.2023		**80**	**208,238**	**3,296**	**-4,087**	**207,527**

Notes to the Consolidated Financial Statements

1. Key accounting policies and consolidation

1.1. General information

Corporate information

PHM Group Holding Oyj ("Parent company" or "Company") is a limited company incorporated and domiciled in Finland whose share is not publicly listed. The registered office is in Helsinki, Uusimaa, Finland. In the beginning of the fiscal year 2024, PHM Group Holding Oyj had outstanding senior secured callable fixed rate notes with a principal amount of EUR 340 million and senior secured callable floating rate notes in total amount of EUR 265 million. During the fiscal year 2024, PHM Group Holding Oyj issued senior secured callable floating rate notes in the amount of EUR 35 million on 20 March 2024, increasing the total amount of senior secured callable floating rate notes to EUR 300 million at year end. The notes are listed on the Nasdaq Helsinki Stock Exchange and the Frankfurt Open Market.

PHM principally provides services within property services. Information about the PHM's group structure is provided below. Information on other related party relationships of PHM is provided in Note 5.1.

The consolidated financial statements for the year ended 31.12.2024 were authorised for issue in accordance with a resolution of the Board of Directors on 29.4.2025. PHM's financial statements, Board of Directors' report and Auditor's report are available at the website www.phmgroup.com/investors/ and in the Group's head office at Takomotie 1-3, 00380 Helsinki, Finland. In accordance with Finnish Limited Liability Act, shareholders may adopt or reject the financial statements at the Annual General Meeting held after the publication. Annual general meeting can decide on changing the financial statements.

Parent company information

PHM Group Holding Oyj was founded on 6 March 2020 when funds controlled by Norvestor Equity AS acquired a controlling interest in PHM Group. PHM Group Holding Oyj is consolidated into PHM Group TopCo Oy. The ultimate parent of this Group is PHM Group TopCo Oy.

Information about subsidiaries

The consolidated financial statements of PHM include the following subsidiaries, which all provide property services to its customers. More information about the consolidation principles is presented in Note 1.2. Basis of preparation.

The consolidated financial statements of the Group include:

Name	Country of incorporation	% equity interest 2024	2023
Cateva Oy	Finland	100	100
EPV Kiinteistöpalvelu Oy	Finland	100	100
Eurajoen Kiinteistöpalvelu Oy	Finland	100	100
Golden Shine Oy	Finland	100	100
Green Carpet Turku Oy	Finland	100	100
Heinolan Talohuolto Oy	Finland	100	-
Helmi Saneerauspalvelut Oy	Finland	100	100
Joensuun Seudun Talohuolto Oy	Finland	100	100
JS Fastighetsservice Ab Oy	Finland	100	100
Kanta-Hämeen Kiinteistöala Oy	Finland	100	100
Karsikon Talohuolto Oy***	Finland	100	100
Keski-Suomen Talonmiespalvelu Oy	Finland	100	-
Kiinteistöhoito Juhala Oy	Finland	100	100
Kiinteistöhoito KMK Oy	Finland	100	-
Kiinteistöhuolto Hautanen Oy	Finland	100	-
Kiinteistöhuolto 3J Oy	Finland	100	100
Kiinteistöhuolto Honkapää Oy	Finland	100	100
Kiinteistöhuolto J Rusanen Oy	Finland	100	100
Kiinteistöhuolto Jurvelin Oy	Finland	100	100
Kiinteistöhuolto Kantola Oy	Finland	100	100
Kiinteistöhuolto Lyijynen Oy	Finland	100	100
Kiinteistöhuolto Rantanen Oy	Finland	100	100
Kiinteistöpalvelu Kukkonen Oy	Finland	100	-
Kiinteistöpalvelu Lintula Oy	Finland	100	100
Kiinteistöpalvelu Tim Turunen Oy	Finland	100	100

The consolidated financial statements of the Group include:		% equity interest	
Name	Country of incorporation	2024	2023
Kiinteistötyöt Neitola Oy	Finland	100	100
Kirkas-Siivous Oy	Finland	100	100
Kotikatu Jokilaakso Oy	Finland	100	100
Kotikatu Oy	Finland	100	100
Kotipolun Pihaportti Oy	Finland	100	-
Kotkan Kiinteistöpalvelu Oy	Finland	100	100
Kouvolan Talohuolto Oy	Finland	100	100
KS-Kiinteistö Oy	Finland	100	-
Lappeen Huoltomestarit Oy***	Finland	100	100
Luotsi Kiinteistöpalvelut Oy	Finland	100	100
Meranti Siivouspalvelut Oy	Finland	100	100
Moxley Oy	Finland	100	100
Nokian Kiinteistöhuolto Oy	Finland	100	100
Nokian Saneeraus Asiantuntijat Oy	Finland	100	100
P. Kiinteistöpalvelut Oy	Finland	100	100
PHM Finland Oy	Finland	100	100
PHM Group Holding Oyj	Finland	100	100
PHM Group Oy	Finland	100	100
PHM Group Services Oy	Finland	100	100
PHM Liikekiinteistöt Oy	Finland	100	100
Pieksämäen Seudun Talohuolto Oy	Finland	100	-
Pirkan Ympäristöpalvelut Oy	Finland	100	100
Pirkanmaan Duo Siivouspalvelut Oy	Finland	100	100
Pirkanmaan Talotoimi Oy***	Finland	100	100
PK Kuivaus Oy	Finland	100	100
Porvoon Huoltomiehet Oy	Finland	100	100
Porvoon Talotiimi Oy	Finland	100	100
Punavaara Oy	Finland	100	100
Purkat Oy	Finland	100	100

The consolidated financial statements of the Group include:		% equity interest	
Name	Country of incorporation	2024	2023
QSC Group Oy	Finland	100	100
Raahen Talonhoito Oy	Finland	100	100
Savon Talohoito STH Oy	Finland	100	100
Sähköasennus Salminen Oy	Finland	100	100
Talo- ja konepalvelut Sommar Oy	Finland	100	-
Tankkipojat Oy	Finland	100	100
TL-Maint Oy	Finland	100	100
Totopro Oy	Finland	100	100
TR-Kiinteistöhuolto Oy	Finland	100	100
Turun Kiinteistöässä Oy	Finland	100	100
Unce Oy	Finland	100	100
Vakka-Suomen Talohuolto Oy	Finland	100	100
Valkeakosken Kiinteistöpalvelu Oy	Finland	100	100
Vammalan talonmies ja siivouspalvelu Oy	Finland	100	100
Vihdin Rakennustekniikka VRT Oy	Finland	100	100
Viherkehä Oy	Finland	100	100
Allgranth Fastighets Ab	Sweden	100	-
Attentive Fastighet och Företagsservice Ab	Sweden	100	-
Bredablick Facility Services Ab	Sweden	100	100
Bredablick Facility Service Klippan Ab**	Sweden	100	100
Bredablick Förvaltning i Sverige Ab	Sweden	100	100
Bredablick Förvaltning Riks Ab	Sweden	100	100
Bredablick Förvaltning Stockholm Ab	Sweden	100	100
Bredablick Förvaltning Uppsala Ab	Sweden	100	100
Bredablick Förvaltning Värmland Ab	Sweden	100	100
Bredablick Teknisk Förvaltning Skåne Ab	Sweden	100	100
Bredablick Teknisk Förvaltning Väst Ab	Sweden	100	100
Bredablick Utemiljötjänst Skåne Ab**	Sweden	100	100
Bredablick VVS Skåne Ab**	Sweden	100	100

The consolidated financial statements of the Group include:

Name	Country of incorporation	% equity interest 2024	2023
Bromma Fönsterputs Ab***	Sweden	100	100
Caros i Västerås Ab	Sweden	100	100
Castanove Förvaltning AB***	Sweden	100	100
Cemi Ab	Sweden	100	100
Crendo Fastighetsförvaltning Ab	Sweden	100	100
Cubile Utemiljö Ab	Sweden	100	100
Driftia EL Ab	Sweden	100	100
Driftia Förvaltning Ab	Sweden	100	100
F.T Drift Ab	Sweden	100	100
Fastighet Mark Teknik Förvaltning Norr Ab	Sweden	100	100
FF Fastighetsservice Ab	Sweden	100	100
Flow Fastighetsvärden Ab	Sweden	100	100
Fönsterputskåren i Stockholm Ab***	Sweden	100	100
Förvaltnings Aktiebolaget Graden Ab	Sweden	100	100
Gröna Gården Ab	Sweden	100	100
Gutens Fastighetsservice Ab***	Sweden	100	100
Hagtorn Fastighetsservice Ab	Sweden	100	100
Hagtorn VVS Ab	Sweden	100	100
Hemma Bäst Bidco Ab	Sweden	100	100
Höga Kusten Skog och Fastighet Ab	Sweden	100	100
International NordicLife Byggservice Ab	Sweden	100	100
International NordicLife Förvaltning Ab	Sweden	100	100
International NordicLife Teknik Ab	Sweden	100	100
Keyline Städ & Konsult Ab	Sweden	100	100
Lövets AB	Sweden	100	100
Majornas Energi & Miljökonsult Ab	Sweden	100	100
Mark & Fastighetsservice i Kalmar Ab	Sweden	100	100
Mark Fastighet Mälardalen Ab	Sweden	100	100
MARK Redovisarna Ab	Sweden	100	100

The consolidated financial statements of the Group include:

Name	Country of incorporation	% equity interest 2024	2023
MBA Bygg Ab	Sweden	100	100
MBA Fastighetsservice Ab	Sweden	100	100
Miljö & Trädgårdsservice i Stockholm Ab	Sweden	100	100
Nordic Part Resources Ab	Sweden	100	100
Nordstaden Stockholm Ab	Sweden	100	100
Norrland Park & Mark Ab	Sweden	100	100
Optimal Service Sverige Ab	Sweden	100	100
Optimal Service Väst Ab	Sweden	100	100
Parkkompaniet i Boden Ab	Sweden	100	100
Part Halmstad Fastighetsförvaltning Ab	Sweden	100	100
PHM Juridik Ab**	Sweden	100	100
PHM Redovisning Ab	Sweden	100	100
PHM Sweden Ab	Sweden	100	100
Princip Redovisning Ab	Sweden	100	100
Renew Service Ab	Sweden	100	100
Serviceuppdrag Sverige AB	Sweden	100	100
Svealands Fastighetsteknik Ab	Sweden	100	100
Svensk Arboristtjänst Ab	Sweden	100	-
Svensk Utemiljö Ab	Sweden	100	-
Tingvalla Mark AB	Sweden	100	100
Tomina Ab	Sweden	100	100
UBC Teknisk Förvaltning i Uppsala Ab	Sweden	100	100
Upplands Fastighetsservice Ab	Sweden	100	100
Vänerförvaltning Ab	Sweden	100	100
Västerås Service & Anläggning Ab	Sweden	100	100
Västmanlands Byggtjänst Ab	Sweden	100	100
Västmanlands Fastighetsskötsel Ab	Sweden	100	100
We Go Fastighet Ab	Sweden	100	100
1 Hjelpende Hånd AS	Norway	100	100

The consolidated financial statements of the Group include:		% equity interest	
Name	Country of incorporation	2024	2023
Absolutt Rent AS	Norway	100	-
AJ Eiendomsforvaltning AS	Norway	100	100
Aktiv Ventilasjon AS	Norway	100	100
Asker & Bærum Vaktmesterkompani AS	Norway	100	100
Asker og Bærum Grøntmiljø AS	Norway	100	100
Bergen Vaktmestertjenester AS	Norway	100	100
Bonitas Eiendomsforvaltning AS	Norway	100	100
Boservice AS	Norway	100	100
Brabo Sør AS	Norway	100	100
Bryn Bydrift AS	Norway	100	100
Bygårdsservice AS	Norway	100	100
Christiania Forvaltning & Eiendom AS	Norway	100	100
Danielsen Service AS	Norway	100	100
Din Vaktmester As	Norway	100	100
Eiendomsnøkkelen Forvaltning AS***	Norway	100	100
Gaards-Service AS	Norway	100	100
Grønt og Hvitt Eiendomsservice AS	Norway	100	100
Gårdreform AS	Norway	100	100
Gårdreform Snø og Grønt AS	Norway	100	100
Halvorsen Service Partner AS	Norway	100	100
Heimdal Vaktmesterservice AS	Norway	100	100
Høvik Eiendomsdrift AS	Norway	100	-
Lettstyrt AS	Norway	100	100
Montasjelaget AS	Norway	100	100
Oslo Renhold AS***	Norway	100	100
Oslo Veggdyrkontroll AS	Norway	100	100
PBT Eiendomsdrift As	Norway	100	100
PBT Eiendomsdrift Øst As	Norway	100	100
PHM Norge As	Norway	100	100

The consolidated financial statements of the Group include:		% equity interest	
Name	Country of incorporation	2024	2023
Ren Dunk AS	Norway	100	100
Ren Service As	Norway	100	100
RenBolig Service og Omsorg AS	Norway	100	100
Rene Bygårder As	Norway	100	100
Rene Trapper As	Norway	100	100
Rokke Hageservice AS	Norway	100	100
Sefbo AS***	Norway	100	100
PHM Forvaltning AS	Norway	100	100
Sefbo Holding AS***	Norway	100	100
Siddis Hus og Hageservice AS	Norway	100	100
Stor-Oslo Rørleggerservice AS	Norway	100	-
Trappevask Service As	Norway	100	100
Trondheim Renholdsservice AS	Norway	100	100
UM Eiendomsdrift AS	Norway	100	100
Uterom Entreprenor As	Norway	100	100
Vaktmester Andersen AS	Norway	100	100
Vaktmester.no AS	Norway	100	100
Vaktmestertjenesten AS	Norway	100	100
Alt I Polering ApS	Denmark	100	100
Altiren As	Denmark	100	100
Daseko ApS***	Denmark	100	100
DEAS A/S	Denmark	100	-
DEAS Ejendomsudvikling A/S	Denmark	100	-
Driftsselskabet OPP Slagelse Sygehus A/S	Denmark	50	-
Driftsselskabet OPP Svanemøllen A/S	Denmark	50	-
DRIFTSSELSKABET OPP SVENDBORG A/S	Denmark	100	-
Driftsselskabet OPP Vejle A/S	Denmark	50	-
Ejendomsvirke As***	Denmark	100	100
Grindsted Vinduesservice ApS	Denmark	100	100

The consolidated financial statements of the Group include:

Name	Country of incorporation	% equity interest 2024	2023
HN Service ApS	Denmark	100	100
IQ ENERGY NORDIC ApS	Denmark	100	-
J S E Ejendomsservice ApS	Denmark	100	-
KRS Service ApS	Denmark	100	100
Kuben Ejendomsadministration A/S	Denmark	100	-
Meincke`s Total-Service A/S	Denmark	100	100
OK Rengoring A/S	Denmark	100	100
Ops Frederikshavn Byskole A/S	Denmark	50	-
Ops Skovbakkeskolen A/S	Denmark	50	-
OPS Østerbro Skøjtehal ApS	Denmark	50	-
PHM Danmark ApS	Denmark	100	100
SaniService ApS	Denmark	100	100
Sundby Rengorings Service ApS	Denmark	100	100
Taurus Ejendomsadministration A/S	Denmark	100	100
Tip Top Ejendomsservice ApS	Denmark	100	100
Vækst & Miljø A/S	Denmark	100	100
WA ApS	Denmark	100	100
a.di.g. Dienstleistungen GmbH	Germany	100	-
BBP Gesellschaft für Haus- und Versorgungstechnik GmbH	Germany	100	100
Corporate Care Organisation & Unternehmensbetreuung GmbH	Germany	100	100
Der Hausmeister Profi FM GmbH	Germany	100	-
Flensburger Objektservice GmbH	Germany	100	-
GeMoBau GmbH	Germany	100	-
GE-Service Dienstleistung GmbH	Germany	100	-
Hausmeisterservice Wermke GmbH	Germany	100	-
HQM Hanse Quartiersmanagement GmbH	Germany	100	100
ImmoS Clean & Care GmbH	Germany	100	-

The consolidated financial statements of the Group include:

Name	Country of incorporation	% equity interest 2024	2023
Kieler Gebäudeservice GmbH	Germany	100	-
Marnach Hauswartung GmbH	Germany	100	100
Münz-24 Haus- & Energietechnik GmbH	Germany	100	100
MÜTRA Objektmanagement GmbH	Germany	100	100
PHM Deutschland GmbH	Germany	100	100
PHM Deutschland 2 GmbH	Germany	100	-
Pur98100 Gebäude-Service GmbH	Germany	100	-
Schultz BGM GmbH	Germany	100	100
Schultz EGM GmbH	Germany	100	100
Schultz GFS GmbH	Germany	100	100
Schultz Gruppe GmbH	Germany	100	100
Schultz IGM GmbH	Germany	100	100
Schultz TGM GmbH	Germany	100	100
Schultz TKD GmbH	Germany	100	100
Schöne-Gebäudereinigung GmbH	Germany	100	-
Schöne&Co.Tec GmbH	Germany	100	-
Sophienterassen Quartiersmanagement GmbH & Co. KG	Germany	100	100
Hauswartprofis AG	Switzerland	100	-
Privera AG	Switzerland	100	-
Rohr AG	Switzerland	100	-
HomeService AG	Switzerland	100	-
Analysis Lab Sa	Switzerland	100	-
Aatest AG	Switzerland	100	-
Valores AG	Switzerland	100	-

** Entity's name has changed during the 2024 financial period.
*** Entity was merged during the 2024 financial period.

1.2. Basis of preparation

Basis of accounting

The consolidated financial statements of PHM Group Holding Oyj have been prepared in accordance with international financial reporting standards (IFRS) and IFRIC Interpretations as adopted by the European Union as of 31.12.2024. The notes to the financial statements also comply with Finnish accounting and corporate legislation. These financial statements are prepared on a going concern basis. The condition of the assumption is that the group has adequate resources to continue its operations and that the management will continue the operations for at least one fiscal year from the end of the previous reporting period. The effects of the amended IFRS standard applied from the beginning of the fiscal year 2024 on the consolidated financial statements were not significant.

The consolidated financial statements have been prepared on a historical cost basis unless otherwise stated in the accounting policies below. The consolidated financial statements are presented in euros, and all values are rounded to the nearest thousand, except when otherwise indicated. Therefore, the sum of individual numbers may deviate from the presented sum figure due to rounding differences. The comparative year information is presented in brackets after the information for the current financial year. In the fiscal year 2024, the group has grown strongly through acquisitions, which is why the figures for the consolidated result and balance sheet are not fully comparable in all respects.

The consolidated IFRS financial statements as of 31.12.2024 contain comparative information for the period ended 31.12.2023.

Significant events during fiscal year

Acquisitions and disposals

Acquisitions are a key element of PHM's strategy. The property services market is characterised by a very fragmented competitive landscape, and therefore the number of acquisitions made by PHM is typically high. In 2024, PHM successfully continued executing its acquisition strategy in all its operating countries. During the fiscal year 2024, PHM advanced its expansion in Central Europe by acquiring the Switzerland-based Investis Group's Real Estate Services business (Valores Group) and several companies in Germany. Another significant acquisition was the acquisition of the Denmark-based DEAS Group's Real Estate Services business (DEAS A/S), which strengthened PHM's foothold in Denmark significantly.

Financing

To further improve the implementation of its growth strategy, the group significantly increased its financial position by launching a senior secured Term Loan B of EUR 300 million. The floating rate loan has a maturity of seven years. The Term Loan B was successfully priced and allocated to investors, and it has a margin of 4.75% above the 3-month Euribor.

Additionally, during the financial year, PHM completed a tap issue of its senior secured callable floating rate notes in a nominal amount of EUR 35 million. The subsequent notes were issued on the same terms as the EUR 265 million senior secured callable floating rate notes due in 2026, under the company's existing framework of EUR 450 million. At the end of the review period, the total amount of secured senior bonds issued was 640 million euros. This amount includes EUR 300 million floating-rate bonds and EUR 340 million fixed-rate bonds. These bonds are traded on Nasdaq Helsinki Oy's stock exchange list and on the Frankfurt Open Market trading platform.

PHM increased its Super Senior RCF credit limit to EUR 92.5 million, of which EUR 25 million was utilised at the end of the financial year.

After the fiscal year PHM did a refinancing and paid back loans listed earlier. New financing consist of EUR 1 billion Term Loan B with a maturity of seven years. The Term Loan B bears a floating rate and has a margin of 3.50 per cent. The Term Loan B is complemented by a new EUR 150 million pari passu RCF with a maturity of six years.

Consolidation principles

The consolidated financial statements incorporate the financial statements of the Parent Company and entities controlled by PHM Group (its subsidiaries). PHM has control of an entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Acquired subsidiaries are consolidated from the date on which control is transferred to PHM, and are no longer consolidated from the date that control ceases.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with PHM's accounting policies. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

There are joint ventures in PHM group that are 50 per cent owned. Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize PHM's share of the post-acquisition profits or losses and movements in other comprehensive income.

Segment reporting

PHM has one reportable segment. The reported segment comprises of the Group, PHM Group Holding Oyj, and the segment figures are consistent with PHM Group Holding Oyj Group's figures. See further information in note 2.1. Revenue from contracts with customers.

Currencies

Functional currency

PHM's consolidated financial statements are presented in euros, which is also the parent company's functional currency. For each entity, PHM determines the functional currency, and items included in the financial statements of each entity are measured using that functional currency.

Primary and subsequent recording

Transactions in foreign currencies are initially recorded by PHM's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss apart from monetary items that are designated as part of the hedge of PHM's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Group consolidation

On consolidation, the assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date, and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Current versus non-current classification

PHM presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle, is held for trading, or is expected to be realised within 12 months. Cash and cash equivalent items are presented as current assets unless restricted from being exchanged or used to settle a liability for longer than 12 months.

A liability is current when it is expected to be settled in the normal operating cycle, is held primarily for trading or is due to be settled within 12 months, or there is no unconditional right to defer the settlement over a period of 12 months.

1.3. Accounting estimates and judgements applied in the preparation of the financial statements

The preparation of PHM's consolidated financial statements requires management to use judgement, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The actual values may differ from these estimates and assumptions.

The most significant accounting policies requiring judgement by the management, and the key factors of uncertainty related to estimates, are presented in the following notes:

- Business combinations, value of net assets acquired and contingent considerations (Note 3.1)
- Goodwill impairment testing (Note 3.2)
- Expected credit losses (Note 4.1)
- Leases (Note 3.5)

1.4. New and updated IFRS standards

PHM adopts new and amended standards and interpretations, if applicable, when they become effective. The new and amended standards that become effective on 1 January 2024 or later are not expected to have a significant impact on PHM's consolidated financial statements.

The following new and amended standards have been issued and become effective on 1 January 2024 or later. PHM's perspectives on the relevance of each amended standard have been included in the summary below.

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases (effective for financial years beginning on or after 1 January 2024)

The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since the implementation of IFRS 16 in 2019.

Classification of Liabilities as Current and Non-current – Amendments to IAS 1 Presentation of Financial Statements (effective for financial years beginning on or after 1 January 2024)

The amendments are to promote consistency in application and clarify the requirements for determining if a liability is current or non-current. The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. The amendments require the disclosure of information about these covenants in the notes to the financial statements. The amendments also clarify that a transfer of a company's own equity instruments is regarded as a settlement of a liability. Liability with any conversion options might affect classification as current or non-current unless these conversion options are recognised as equity under IAS 32.

Supplier Finance Arrangements – Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (effective for financial years beginning on or after 1 January 2024)

The amendments enhance the transparency of supplier finance arrangements and their effects on a company’s liabilities, cash flows and exposure to liquidity risk. The amendments require the disclosure of quantitative and qualitative information about supplier finance programmes.

Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures* (effective for financial years beginning on or after 1 January 2026, early application is permitted)

The amendments clarify that an entity is required to apply settlement date accounting when derecognising a financial asset or a financial liability; and to permit an entity to deem a financial liability that is settled using an electronic payment system to be discharged before the settlement date if specified criteria are met. The amendments clarify the application guidance for assessing the contractual cash flow characteristics of financial assets, including financial assets with contractual terms that could change the timing or amount of contractual cash flows, for example, those with environmental, social and governance (ESG)-linked features, financial assets with non-recourse features and financial assets that are contractually linked instruments.

Annual Improvements to IFRS Accounting Standards—Volume 11* (effective for financial years beginning on or after 1 January 2026, early application is permitted)

The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRS Accounting Standards to be grouped together and issued in one package annually. The amendments clarify the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards − Hedge Accounting by a First-time Adopter
- IFRS 7 Financial Instruments: Disclosures − Gain or loss on derecognition; Disclosure of differences between the fair value and the transaction price; Disclosures on credit risk
- IFRS 9 Financial Instruments − Derecognition of lease liabilities; Transaction price
- IFRS 10 Consolidated Financial Statements − Determination of a 'de facto agent'
- IAS 7 Statement of Cash Flows − Cost Method

IFRS 18 Presentation and Disclosure in Financial Statements* (effective for financial years beginning on or after 1 January 2027, early application is permitted)

IFRS 18 will replace IAS 1 Presentation of Financial Statements. The key new requirements are as follows:

- Income and expenses in the income statement to be classified into three new defined categories (operating, investing and financing) and two new subtotals ("Operating profit or loss" and "Profit or loss before financing and income tax").
- Disclosures about management-defined performance measures (MPMs) in the financial statements. MPMs are subtotals of income and expenses used in public communications to communicate management's view of the company's financial performance.
- Disclosure of information based on enhanced general requirements on aggregation and disaggregation. In addition, specific requirements to disaggregate certain expenses, in the notes, will be required for companies that present operating expenses by function in the income statement.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures* (available for optional adoption, effective date deferred indefinitely)

The amendments address the conflict between the existing guidance on consolidation and equity accounting, and require the full gain to be recognised when the assets transferred meet the definition of a 'business' under IFRS 3 Business Combinations.

* = not yet endorsed for use by the European Union as of 31 December 2024

ESG = Environmental, Social and Governance

2. Group Performance

2.1. Revenue from contracts with customers

Accounting principles

Revenue recognition
Revenue from contracts with customers is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which PHM expects to be entitled in exchange for those goods or services. The control is transferred over time. PHM acts as a principal in its revenue arrangements, as it typically controls the goods or services being transferred to the customers.

Performance obligations
"The Group's business consists of property services. Property services have similar financial characteristics and are also similar in terms of the nature of the service production processes, the type of customer, and the methods used in service distribution. PHM's customer contracts mainly consist of the following services:

Key contractual and recurring services
- Property maintenance
- Maintenance of outdoor areas
- Cleaning services
- Property management
- Financial management services

Additional and complementary services
- Technical services
- Landscaping and green area building
- Sewer maintenance and transport services
- Special cleaning
- Other services

PHM recognises revenue from the aforementioned services over time as the services are rendered. Property maintenance services are invoiced on a monthly basis according to services rendered. Additional and complementary services are invoiced separately based on hourly fees, and the revenue is recognised accordingly over time when the services are rendered.

PHM also provides short-term projects. These short-term projects generally have a duration of 1–6 months in all operating countries. PHM periodises the revenue of short-term projects for each month in which work has been performed, and thus recognises revenue over time. The revenue from short-term projects has not been significant during the transition period.

Variable consideration
Rendering of services may include variable consideration, such as discounts, penalties for delay and customer claims. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

PHM's contracts with customers do not include significant variable considerations.

Trade receivables
A receivable represents PHM's right to an amount of consideration that is unconditional, meaning that only the passage of time is required before payment of the consideration is due. Further information is disclosed in note 3.6 Trade and other receivables.

Other principles
PHM's contracts with customers do not include significant financing components.

PHM's contracts with customers do not include non-cash considerations.

PHM does not provide any warranties to its customers that would be considered as separate performance obligations. PHM's short-term project customer contracts include warranties, which guarantee to the customer that services performed comply with the agreed specifications. Typically, the contracts contain standard warranties in accordance with the overall industry practice, and no service-type warranties are provided to the customers.

Segment information
PHM reports its business operations as one segment, which is in line with the internal reporting delivered to the chief operating decision-maker. The chief operating decision-maker of PHM is the Board of Directors.

The Group is in the business of providing property maintenance and additional technical services. In addition, PHM provides short-term refurbishment projects. The maintenance services have similar financial characteristics and are also similar in terms of the nature of service production processes, type of customer, and methods used in service distribution.

Since PHM is managed as one segment by the chief operating decision-maker and the management reporting only consists of Group-level reporting, PHM only has one operating segment.

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

EUR thousand	31.12.2024	31.12.2023
Type of service		
Contract revenues	543,590	319,435
Sale of additional services	399,722	302,056
Other sales	2,916	3,412
Total revenue from contracts with customers	**946,227**	**624,904**

Geographical markets	Contract sales	Additional sales	Total 31.12.2024
Finland	108,055	117,009	225,064
Sweden	82,099	117,135	199,235
Norway	139,215	95,594	234,809
Denmark	76,349	41,435	117,784
Germany	46,554	16,361	62,915
Switzerland	91,318	15,102	106,420
Total revenue from contracts with customers	**543,590**	**402,638**	**946,227**

In the chart above, other sales are included in the "additional sales" column.

Timing of revenue recognition	Contract sales	Additional sales	Total 31.12.2024
Services transferred over time	543,590	402,638	946,227
Total revenue from contracts with customers	**543,590**	**402,638**	**946,227**

Geographical markets	Contract sales	Additional sales	Total 31.12.2024
Finland	180,645	147,629	328,274
Sweden	63,822	95,686	159,508
Norway	36,216	46,946	83,162
Denmark	12,614	4,304	16,918
Germany	26,138	10,903	37,041
Total revenue from contracts with customers	**319,435**	**305,469**	**624,904**

Timing of revenue recognition	Contract sales	Additional sales	Total 31.12.2024
Services transferred over time	319,435	305,469	624,904
Total revenue from contracts with customers	**319,435**	**305,469**	**624,904**

2.2. Other operating income and expenses

Accounting principles

Other operating income
Other operating income includes income that does not directly relate to income from PHM's operating activities.

"Other income" in total other operating income during the periods presented includes mainly maintenance charges and rent income.

EUR thousand	2024	2023
Insurance compensation	550	697
Capital gains on fixed assets	2,020	1,329
Other income	4,450	1,515
Total other operating income	**7,020**	**3,541**

Other operating expenses
Other operating expenses include other operating expenses that are not considered to be part of the cost of goods sold.

Other operating expenses consist mainly of machinery and equipment expenses, marketing and administrative expenses, IT expenses and voluntary personnel costs.

EUR thousand	2024	2023
Machinery and equipment expenses	-49,225	-37,372
Marketing and administrative expenses	-29,094	-17,890
IT expenses	-21,785	-10,380
Voluntary personnel costs	-9,664	-6,342
Expenses for premises	-7,216	-4,490
Short-term and low-value leases	-1,892	-272
Travel expenses	-5,096	-2,729
Share of profit from associate companies	275	-
Other operating expenses	45	8
Total other operating expenses	**-121,761**	**-79,194**

Audit fees

EUR thousand	2024	2023
Audit services	-1,386	-748
Consulting services	-113	-76
Total fees to auditors	**-1,499**	**-824**

Materials and services

Materials and services consist of acquisitions of typical equipment and materials related to the inventory and services provided to customers. If inventory value is written off, it is booked to materials as costs of goods sold.

2.3. Employee benefit expenses, employee benefit obligations, and average headcount

Accounting principles

Short-term employee benefits
Short-term employment benefits include salaries, fringe benefits, social security costs, pension costs, annual holidays and bonuses. They are recorded in the period in which the employees perform the work in question. PHM has an annual bonus plan, and PHM accrues for the bonus on a monthly basis.

Employee benefit obligations
PHM's pension cover is based on the legislation and agreement in force in each country. The post-employment benefit plans in PHM are contribution-based arrangements in all its operating countries except for Switzerland. Contributions to the defined contribution plans are charged directly to the consolidated statement of income in the year to which these contributions relate. In defined benefit plans, after PHM has paid the amount for the period, an excess or deficit may result. The defined benefit obligation represents the present value of future cash flows from payable benefits. Pension costs are recognised in the consolidated statement of income evenly spreading the current service cost over the service lives of employees based on external calculations. Net interest is included as part of the finance cost in the consolidated statement of income. The liability (or asset) recognized in the consolidated statement of financial position is the pension obligation at the closing date, less the fair value of plan assets. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Actuarial valuations for PHM's defined benefit pension plans are performed annually. Accounting for defined benefit obligations and other long-term employee benefits requires the selection of actuarial assumptions and the use of significant estimates. Based on these, actuaries calculate PHM's expenses and liabilities.

Employee benefit expenses

EUR thousand	2024	2023
Wages and salaries	-408,846	-249,150
Social security costs	-51,195	-31,360
Pension expenses - defined contribution plans	-35,863	-26,984
Pension expenses - defined benefit plans	2,052	-
Total employee benefit expenses	**-493,852**	**-307,493**

Net defined benefit liability

EUR thousand	1.1.2024	Business acquisitions	Recognised in profit or loss	Recognised in OCI	Other changes	Translation differences	31.12.2024
Fair value of plan assets	-	127,942	853	2,499	10,479	3,092	144,865
Defined benefit obligation	-	-148,937	1,088	-12,477	-7,651	-3,615	-171,591
Net defined benefit liability total	**-**	**-20,996**	**1,941**	**-9,977**	**2,829**	**-523**	**-26,726**

Defined benefit costs

EUR thousand	2024	2023
Current service cost	33	-
Past service cost – plan amendments	2,019	-
Service costs total	2,052	-
Net interest on net defined benefit (liability)/asset	-111	-
Cost recognised in P&L	1,941	-
Actuarial gain/(loss) due to liability experience, including routine settlements	-3,633	-
Actuarial gain/(loss) due to liability assumption changes	-8,844	-
Return on plan assets (greater)/less than net interest recognised	2,499	-
Remeasurement effects recognised in OCI	-9,977	-
Defined benefit cost total	-8,036	-

Actuarial assumptions

	2024	2023
Discount rate	1.30%	-
Price inflation	1.25%	-
Rate of salary increase	1.75%	-
Cash balance (or similar formula) interest crediting rate	1.30%	-

Average headcount of employees

	2024	2023
Average headcount of employees during the period	11,722	8,389

Salaries, fees and benefits paid to the Board of Directors and to the Group management

Please see Note 5.1. Related party transactions for information regarding compensation to the Board of Directors and the Group management.

2.4. Financial income and financial expenses

Accounting principles

Financial income and expenses are recognised in the period during which they occur. Interest income and expenses are recognised using the effective interest method. More information regarding the financial instruments is presented in Notes 4.1, 4.2 and 4.4. Accounting policies relating to lease agreements are presented in Note 3.5.

The financial income of PHM consists mainly of interest income and foreign currency exchange gains. The financial expenses relate mostly to interest payments of loans and costs related to financing.

Financial income

EUR thousand	2024	2023
Interest income	2,054	1,667
Foreign currency exchange gains	1,286	2,313
Dividends received	6	2
Other financial income	322	158
Total financial income	**3,668**	**4,140**

Financial expenses

EUR thousand	2024	2023
Interest on debts and borrowings	-72,983	-32,413
Interest expenses from leases	-5,053	-1,999
Foreign currency exchange losses	-3,206	-9,019
Other finance costs	-4,247	-1,990
Total financial expenses	**-85,489**	**-45,421**

The increase in interest expenses compared to the previous fiscal year is due to the Group strengthening its financial position by increasing the available financing to continue its growth strategy. In the financial year 2024, PHM raised EUR 300 million senior secured term loan B. The loan margin was 4.75% above the 3-month Euribor. In addition, PHM issued an additional EUR 35 million nominal value of floating rate secured senior notes during the financial year, with a margin of 7.5% above the 3-month Euribor.

The higher exchange rate losses in the comparison period were due to the acquisition of the Norwegian Sefbo Group in the financial year 2023 and the related intra-group financing arrangements.

2.5. Income tax

Accounting principles

Income taxes consist of taxes based on the taxable income of the fiscal year and deferred taxes. Taxes recorded on items in the income statement are included in income taxes in the income statement. The tax effect of other items of comprehensive income is recorded in other items of comprehensive income.

Current income tax
Taxes based on taxable income are recorded according to the local tax rules of each country using the applicable tax rate. If there is uncertainty included in interpretations of the income tax rules, the company estimates if the company is able to fully utilise the tax position that is stated in income tax computation. If necessary, tax bookings are adjusted to reflect the changes in tax position.

Deferred tax
Deferred tax assets or liabilities are recognised on temporary differences arising between the tax bases of assets and liabilities and their financial statement carrying amounts at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted at the reporting date. The most significant temporary differences in PHM Group arise mainly from business combinations.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax liabilities are recognised in the balance sheet in full.

The Group offsets the deferred tax assets and deferred liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets that are based on the taxable income of the fiscal year.

Direct taxes

The major components of income tax expenses for the years ended 31 December 2024 and 31 December 2023 are:

EUR thousand	2024	2023
Income tax on operations	-3,919	-5,241
Tax for previous accounting periods	2,560	-467
Deferred taxes	4,871	3,897
Income tax total	**3,512**	**-1,811**

Tax rate reconciliation

EUR thousand	2024	2023
Profit before income tax	**-19,360**	**-462**
Tax calculated at parent's tax rate of 20% (2023 20%)	3,872	92
Tax for previous years	2,929	-725
Effect on different tax rates in foreign subsidiaries	515	-25
Non-deductible expenses	-13,018	-2,685
Income not subject to tax	9,287	1,312
Confirmed losses and other tax items	-74	220
Income taxes	**3,512**	**-1,811**

Income tax receivables and payables

EUR thousand	2024	2023
Income tax receivables	634	1,060
Income tax payable	2,101	7,598

Effective tax rate

	2024	2023
Effective tax rate for the period	18%	-392%

The effective tax rate of fiscal year 2023 is explained by amortisation on customer and marketing-related intangible assets that is done only on a consolidated level and cannot be utilised in taxation. Furthermore, PHM is unable to fully deduct all interest costs in taxation.

Deferred tax

Deferred tax assets 2024

EUR thousand	1.1.2024	Recognised in profit or loss	Business acquisitions	Translation differences	31.12.2024
Leases	300	421	-	-	721
Transaction costs from financial instruments	447	885	-	-	1,332
Transaction costs from business combinations	2,198	567	-	-7	2,759
Other	349	109	291	-18	731
Total	**3,295**	**1,983**	**291**	**-25**	**5,544**

Deferred tax assets 2023

EUR thousand	1.1.2023	Recognised in profit or loss	Business acquisitions	Translation differences	31.12.2023
Leases	173	127	-	-	300
Transaction costs from financial instruments	447	0	-	-	447
Business combinations	2,060	142	-	-4	2,198
Other	469	140	-241	-21	347
Total	**3,150**	**410**	**-241**	**-25**	**3,293**

Deferred tax liabilities 2024

EUR thousand	1.1.2024	Recognised in profit or loss	Business acquisitions	Translation differences	31.12.2024
Reclassification of subordinated loan	295	-	-	-	295
Business combinations	37,440	-4,721	16,039	-465	48,292
Leases	44	-	-	-	44
Transaction costs from financial instruments	-687	687	-	-	-
Transaction costs from business combinations	-1	24		-	23
Appropriations	6,390	1,736	-	-	8,126
Post employment benefits	-	320	-	2	322
Other	241	-934	1,803	-511	599
Total	**43,722**	**-2,888**	**17,842**	**-974**	**57,702**

Deferred tax liabilities 2023

EUR thousand	1.1.2023	Recognised in profit or loss	Business acquisitions	Translation differences	31.12.2023
Reclassification of subordinated loan	295	-	-	-	295
Business combinations	25,260	-3,214	16,137	-744	37,440
Leases	44	-	-	-	44
Transaction costs from financial instruments	1,535	-2,222	-	-	-687
Appropriations	3,808	1,923	660	-	6,390
Other	19	26	200	-5	240
Total	**30,961**	**-3,488**	**16,997**	**-749**	**43,722**

3. Capital Employed

3.1. Business Combinations

Accounting principles

Acquired subsidiaries are consolidated in the Group financial statements from the date when PHM obtained control over the acquired entity. Business combinations are accounted for by using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. The Group measures the identifiable assets acquired and the liabilities assumed at their acquisition date fair values. In connection with the most significant acquisitions, part of the purchase price is allocated to customer relationships and trademarks.

Acquisition-related costs, such as consulting costs, are expensed as incurred and included in the statement of profit and loss as other operating expenses.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating unit that is expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to that unit. More information about goodwill and impairment testing is provided in Note 3.2. Goodwill and impairment testing.

A contingent consideration recognised in a business combination is measured at its fair value through profit and loss.

Acquisitions in 2024

During 2024, PHM Group made acquisitions in all its operating countries: twelve in Finland, three in Sweden, three in Norway, three in Denmark, eight in Germany and two in Switzerland. Details of the acquisitions in 2024 are presented in the table below.

Acquisitions in Finland

In Finland, PHM strengthened its market position and service offering in several cities around the country. Additionally, PHM expanded to Heinola by acquiring Kiinteistöpalvelu Kukkonen Oy and Heinolan Talohuolto Oy, to Pieksämäki by acquiring Pieksämäen Seudun Talohuolto Oy, to Keuruu by acquiring Keski-Suomen Talonmiespalvelu Oy, and to Loimaa by acquiring Kotipolun Pihaportti Oy.

Acquisitions in Sweden

PHM acquired Allgranthgruppen, which consists of three companies that offer a wide range of property services. The companies' services include financial and technical management, outdoor and property maintenance, landscaping, as well as renovation services for households. The acquisition strengthens PHM's market position as a provider of residential property services in the Stockholm area. PHM also acquired the business operations of Korrekt Bostadrättsförening, consisting of property management services for residential properties in the Stockholm area. Additionally, PHM expanded to the Kiruna area by acquiring Attentive Fastighet och Företagsservice Ab.

Acquisitions in Norway

In Norway, PHM strengthened its presence in the Drammen region by acquiring Høvik Eiendomsdrift AS, which is a provider of various indoor and outdoor maintenance services, including technical building services, renovation work and outdoor maintenance. Høvik Eiendomsdrift AS has operated in the rapidly growing region for a number of years and has a good understanding of the needs of the region and its customers, which presents an excellent opportunity for organic growth in the coming years. Additionally, PHM acquired Absolutt Rent AS, which specialises in staircase cleaning for residential properties. The company strengthens PHM's cleaning service expertise and offering in the Oslo area.

Acquisitions in Denmark

The acquisition of the Denmark-based DEAS Group's Real Estate Services business (DEAS A/S) significantly strengthens PHM's position in Denmark. The transaction does not include the Asset Management business of DEAS A/S, which was carved out before the acquisition. DEAS A/S is a Danish property management company that provides services to local, regional and international real estate investors, property owners and tenants. With the acquisition, PHM will have the most comprehensive range of services and expertise in property maintenance and management in Denmark. Additionally, Additionally, PHM acquired J S E Ejendomsservice ApS in the Copenhagen area and expanded to the Jutland Peninsula in the Horsens region by purchasing the business operations of Borg Service.

Acquisitions in Germany

In Germany, PHM continued to grow in various regions around the country. In the north, the acquisitions of Flensburger Objektservice GmbH, the property services business of Pur98100 Gebäude-Service GmbH, and Kieler Gebäudeservice GmbH offers the opportunity to achieve local market leadership for PHM Group in Flensburg and to expand to Kiel and the surrounding area. All the companies offer cleaning and gardening services, as well as various maintenance services. In Hamburg, PHM's position is strengthened by the acquisition of Hausmeisterservice Wermke GmbH, which supports growth in the area. The acquisition of a.di.g. Dienstleistungen GmbH provides PHM with the opportunity to expand its operations in the Berlin area. In central Germany, PHM expanded to Kassel and its surroundings by acquiring Schöne Gebäude-Reinigung GmbH and Schöne & Co. Tech GmbH. The companies are known as high-quality providers of cleaning and property maintenance services, as well as of technical services in the region, and they have a strong market position in Kassel. In southern Germany, the acquisition of ImmoS Clean & Care GmbH brings PHM Group's operations to a completely new area. ImmoS Clean & Care specialises in property maintenance, cleaning, gardening and winter services. Its customer base ranges from residential properties and institutional housing companies to properties in retail, chemical manufacturing and research. The company's operating area covers Mannheim and the surrounding Rhine-Neckar Metropolitan Region. The acquisition of Der HausmeisterPROFI FM GmbH, strengthens PHM's position in the Nürnberg area. Also, during the last quarter, PHM Group expanded its operations to the Munich area by acquiring GE-Service Dienstleistungen GmbH and GeMoBau GmbH.

Acquisitions in Switzerland

During the fiscal year, PHM expanded its operations to Switzerland by acquiring the Switzerland-based Investis Group's Real Estate Services business, Valores Group. Valores Group provides property management and maintenance services for residential and commercial properties. The Swiss property services market is growing, and its purchasing behaviour is very similar to the Finnish and Danish markets. This makes Switzerland an attractive market for PHM Group. Later in the autumn, a property management service provider, Privera AG, part of the Valores Group, acquired the business operations of Verit Immobilien. The acquisition expands PHM's geographical presence and strengthens its current market position.

Acquired company 2024	Country	Transaction month	Currency	Revenue*	EBITDA*
Savonlinnan Siivous- ja Kiinteistöhuoltokeskus SK2**	Finland	January	EURm	0.9	0.2
Nokian Saneeraus Asiantuntijat Oy	Finland	February	EURm	1.0	0.2
Høvik Eiendomsdrift AS	Norway	March	NOKm	17.1	2.2
Pur98100 Gebäude-Service**	Germany	March	EURm	2.6	0.5
Allgranthgruppen***	Sweden	March	SEKm	49.7	6.7
Korrekt Bostadsrättsförvaltning****	Sweden	March	SEKm	3.3	1.6
Kiinteistöpalvelu Kukkonen Oy	Finland	April	EURm	2.0	0.2
Borg Service****	Denmark	May	DKKm	2.9	0.4
Rauman Pihapojat Oy	Finland	May	EURm	1.2	0.2
J S E Ejendomsservice ApS	Denmark	May	DKKm	5.1	0.9
Schöne & Co. Tech GmbH and Schöne Gebäude-Reinigung GmbH	Germany	May	EURm	6.6	1.2
KS-Kiinteistö Oy	Finland	June	EURm	1.7	0.1
Kiinteistöhuolto Hautanen Oy	Finland	June	EURm	1.6	0.4
Päre Siivous**	Finland	June	EURm	0.4	0.0
Absolutt Rent AS	Norway	June	NOKm	10.4	3.7
Valores Group*****	Switzerland	June	CHFm	184.8	22.9
Pieksämäen Seudun Talohuolto Oy	Finland	July	EURm	1.9	0.3
Attentive Fastighet och Företagsservice Ab	Sweden	July	SEKm	26.3	4.8
Verit Immobilien****	Switzerland	July	CHFm	18.3	0.0
Flensburger Objektservice GmbH & Kieler Gebäudeservice GmbH	Germany	July	EURm	2.8	0.6
Hausmeisterservice Wermke GmbH	Germany	July	EURm	2.1	0.1
DEAS A/S*****	Denmark	August	DKKm	663.1	81.1
ImmoS Clean & Care GmbH	Germany	August	EURm	2.8	0.8
Keski-Suomen Talonmiespalvelu Oy	Finland	September	EURm	0.9	0.2
Der HausmeisterPROFI FM GmbH	Germany	September	EURm	2.1	0.3

Acquired company 2024	Country	Transaction month	Currency	Revenue*	EBITDA*
Heinolan talohuolto Oy	Finland	October	EURm	1.0	0.1
Talo- ja Konepalvelut Sommar Oy	Finland	October	EURm	0.6	0.1
a.di.g. Diensleistungen GmbH	Germany	November	EURm	1.3	0.4
GE-Service Diensleistungen GmbH & GeMoBau GmbH	Germany	November	EURm	5.0	0.3
Stor-Oslo Rørleggerservice AS	Norway	November	NOKm	9.2	1.0
Kotipolun Pihaportti Oy	Finland	December	EURm	1.1	0.1

* Presented financials are based on the latest available audited financial statements (local GAAP)
** Asset purchase
*** Unofficial consolidation of group entities
**** Asset purchase, management estimation of like-for-like revenue and adjusted EBITDA
***** Like-for-like revenue and adjusted EBITDA

EUR thousand	Acquisitions in 2024	Acquisitions in 2023
Purchase price		
Consideration paid in cash	380,177	241,567
Contingent considerations (Note 4.5)	1,655	- 4,242
Total	**381,833**	**237,325**
Fair value of assets and liabilities recognised on acquisitions		
Assets		
Intangible assets (Note 3.3)		
Customer relationships	86,909	66,273
Other intangible assets	20,274	108
Intangible assets	**107,183**	**75,172**
Tangible assets (Note 3.4)	**13,180**	**8,927**
Land and water areas	9	-
Buildings	1,720	146
Machinery and equipment	7,030	8,593
Other equipment	4,420	188
Other assets	114,382	53,878
Cash and cash equivalents	19,947	18,856
Total assets	**254,692**	**156,833**

EUR thousand	Acquisitions in 2024	Acquisitions in 2023
Liabilities		
Non-interest bearing liabilities	71,507	39,914
Interest bearing liabilities	47,746	68,764
Deferred tax liability (Note 2.5)	17,842	16,338
Total liabilities	**137,095**	**125,017**
Total identifiable net assets at fair value	**117,596**	**31,816**
Goodwill arising on acquisition (Note 3.2)	299,255	219,596
Purchase consideration transferred	**416,851**	**251,412**
Cash flow impact of acquisitions		
Paid in cash		
Cash and cash equivalents	-380,177	-241,567
Expenses related to the acquisition	-5,131	-2,710
Net cash flow on acquisition	**-385,308**	**-244,277**

3.2. Goodwill and impairment testing

Accounting principles

Goodwill arises from the business combinations, and it corresponds to the amount that the consideration transferred exceeds the fair value of identifiable net assets as of the acquisition date.

Goodwill is reviewed for impairment annually or whenever events or changes in circumstances indicate a possible impairment. The carrying amount of the cash-generating unit (CGU) including goodwill is compared to the recoverable amount which is the higher of the fair value less costs of disposal or the value in use.

If the recoverable amount of an asset is less than its carrying amount, the impairment loss is recorded so that the carrying amount of the asset is equal to its recoverable amount.

EUR thousand	31.12.2024	31.12.2023
Acquisition cost at 1.1.	**624,621**	**416,764**
Goodwill from business acquisitions	299,633	207,857
Acquisition cost at 31.12.	**924,254**	**624,621**

PHM does not possess any intangible assets that have an indefinite useful life. Impairment testing is carried out at group level, as the identified cash generating unit (CGU) also follows the method by which the management follows the operative business. PHM Group Holding monitors goodwill internally at Group level, and as PHM Group Holding only has only identified one CGU, all goodwill recognised is allocated to this cash generating unit.

In the reporting period, the Group has tested goodwill for impairment on 31.12.2024. The recoverable amount from the cash generating unit is determined based on value-in-use calculations. The calculations are prepared following the discounted cash flow method using the management-approved estimates for the following year and subsequent development derived from the strategic plans, based on information collected from local sales teams. Terminal year value has been defined based on the long-term strategic plans.

Cash flows beyond the five-year period are calculated using the terminal value method. The terminal growth rate of 0.5 per cent (0.5%) used in projections is based on management's assessment of conservative long-term growth. The key driver for the valuation is the revenue growth based on the Group's performance and future strategic growth plans, market position, and potential in key markets.

The applied discount rate is the weighted average pre-tax cost of capital (WACC). The components of the WACC are risk-free rate, market risk premium, company-specific factors, and industry-specific beta, cost of debt and, debt/equity ratio. The pre-tax WACC of 6.29 per cent (8.78%) has been used in the calculations.

As a result of the impairment test, no impairment loss for the CGU was recognised for the financial periods ended 31.12.2024 and 31.12.2023.

When assessing the recoverable amounts of the cash generating unit, management believes that no reasonably possible change in any of the key variables used would lead to a situation where the recoverable amounts of the unit would fall below their carrying amount.

Accounting estimates and determinations based on management's judgements

The management uses significant estimates and judgement when determining whether there are indications of impairment of goodwill. Management judgement has also been used when defining the amount of cash generating units, but since one cash generating unit has been identified, no further allocation of goodwill is required.

The cash flow projections are based on budgets and financial estimates approved by management, covering a five-year period. Cash flow forecasts are based on Group's existing business structure, actual results and the management's best estimates of future sales, cost development, general market conditions and applicable tax rates. The growth rates are based on the management's estimates of future growth of the business.

Management tests the impacts of changes in significant estimates used in forecasts by means of sensitivity analyses, as described above in this note.

3.3. Intangible assets and goodwill

Accounting principles

PHM's intangible assets arise mainly from intangible assets identified in acquisitions that are customer relationships and trademarks. These assets are valued at fair value. PHM also has separately acquired intangible assets. Separately acquired intangible assets are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is measured at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Development costs are capitalised.

The useful lives of intangible assets are assessed as either finite or indefinite. PHM does not have intangible assets with indefinite useful lives.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

A summary of the policies applied to the PHM’s intangible assets is, as follows:

	Customer relationships	**Trademarks**	**Other intangible assets**
Useful lives (years)	Finite (12 and 10 years)	Finite (15 years)	Finite (5 years)
Amortisation principle	Amortised on a straight-line basis over the period of the customer relationships	Amortised on a straight-line basis over the period of the trademark	Amortised on a straight-line basis over the period of the trademark
Internally generated or acquired	Acquired	Acquired	Acquired

EUR thousand	**Goodwill**	**Customer relationships**	**Trademarks**	**Other intangible assets excluding goodwill**	**Total excluding goodwill**	**Total**
Cost						
1.1.2023	**416,764**	**138,928**	**12,514**	**4,549**	**155,991**	**572,755**
Business combinations	219,596	66,273	8,791	994	76,058	295,654
Additions	186	-	-	2,357	2,357	2,542
Disposals	-60	-	-	-34	-34	-94
Translation differences	-11,861	-3,391	12	-59	-3,438	-15,299
Reclassification	-3	-	-	-39	-39	-42
31.12.2023	**624,621**	**201,810**	**21,317**	**7,768**	**230,895**	**855,516**
Business combinations	299,255	86,909	-	20,274	107,183	406,438
Additions	7,267	-	-	3,719	3,719	10,986
Disposals	-34	-	-	84	84	50
Translation differences	-6,810	-1,581	-270	52	-1,799	-8,609
Reclassification	-44	-	-	23	23	-21
31.12.2024	**924,254**	**287,138**	**21,047**	**31,920**	**340,105**	**1,264,359**
Amortisation and impairment						
1.1.2023	**-**	**-27,760**	**-1,917**	**-1,337**	**-31,014**	**-31,014**
Amortisation	-	-14,405	-1,071	-1,207	-16,683	-16,683
31.12.2023	**-**	**-42,165**	**-2,988**	**-2,544**	**-47,697**	**-47,697**
Amortisation	-	-21,683	-1,404	-6,316	-29,403	-29,403
31.12.2024	**-**	**-63,848**	**-4,392**	**-8,860**	**-77,100**	**-77,100**
Net book value						
31.12.2023	624,621	159,645	18,329	5,225	183,199	807,820
31.12.2024	924,254	223,291	16,654	23,060	263,005	1,187,260

Customer relationships

PHM has recognised customer relationships as intangible assets. The majority of intangible assets in connection with business acquisitions are customer relationships due to the importance of the customer base to PHM's operations.

Trademarks

PHM obtained the right to use the Kotikatu and Cateva trademarks in connection with an acquisition in 2020, and the Schultz Gruppe trademark in connection with an acquisition in 2022, as well as the right to use the Bredablick trademark in connection with an acquisition in 2023. The trademarks have been valued using the relief from royalty method.

3.4. Tangible assets

Accounting principles

PHM's property, plant and equipment consist mainly of buildings, machinery and equipment and land and water areas. The most significant asset class is machinery and equipment, which includes cars, vans, trucks, office equipment and furniture, and other equipment.

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The costs comprise directly attributable incremental costs incurred. Indirect acquisition costs are not included in the capitalised acquisition costs.

Depreciation of property, plant and equipment is charged on a straight-line basis over the estimated useful lives to their residual value, as follows:
- Land areas (are not depreciated)
- Buildings 5-25 years
- Machinery and equipment 3-15 years
- Other tangible assets 3-5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if they differ significantly from the previous estimate.

Sales gains and losses on disposal or transfer of tangible assets are presented in other operating income and expenses. Sales gains or losses are calculated as the difference between the sales price and the remaining acquisition cost.

PHM estimates the recognised amounts of the tangible assets, when the internal or external events, or changes in the conditions of operations indicate that the recognised value may not be retained. PHM also takes into account the age of the assets and their remaining useful lives. If any such indication exists, PHM estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the difference is recognised in profit or loss.

EUR thousand	Land and water areas	Buildings	Machinery and equipment	Construction in progress	Other equipment	Total
1.1.2023	**150**	**2,725**	**55,649**	**-**	**510**	**59,034**
Additions	-	950	22,663	-	375	23,988
Business combinations (Note 3.1)	-	146	8,593	-	188	8,927
Disposals	-	-367	-1,729	-	-21	-2,118
Reclassifications	-7	62	486	-	-444	98
Depreciation charge for the year	-	-463	-10,700	-	-170	-11,332
Translation differences	-	-0	-230	-	-31	-262
31.12.2023	**143**	**3,052**	**74,732**	**-**	**408**	**78,335**
Additions	-	2,837	21,808	111	2,406	27,162
Business combinations (Note 3.1)	9	1,720	7,030	-	4,420	13,180
Disposals	-	-258	-2,793	-5	-326	-3,383
Reclassifications	-	55	-99	5	-4	-43
Depreciation charge for the year	-	-809	-15,672	-	-1,204	-17,685
Translation differences	-	-14	-439	-	102	-351
31.12.2024	**152**	**6,585**	**84,566**	**111**	**5,802**	**97,215**

3.5. Leases

Accounting principles

Group as a lessee

The lease contracts of PHM consist mainly of cars, machinery and equipment, and office premises. Lease contracts are valid for a fixed period or until further notice. The majority of PHM's leasing contracts are valid until further notice with notice periods of three, six or twelve months, respectively.

PHM assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets

Right-of-use assets are measured at acquisition cost, comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date (less any incentives received), any initial direct costs incurred by PHM, and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Subsequently, right-of-use assets are measured at initial measurement less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

Lease liabilities

At the inception of the lease, PHM measures the lease liability at the present value of the lease payments over the lease term. The lease payments included in the measurement of the lease liability comprise the following payments:

- fixed payments;
- variable lease payments that depend on an index or a rate;
- the price of the purchase option if it is reasonably certain that the option will be exercised by the Group; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The fixed payments consist of the minimum lease payments. In some of the contracts, the lease payments are increased annually based on an index. The non-lease components are separated from lease payments if they can be measured reliably.

Lease payments are discounted by using the lessee's incremental borrowing rate, since the interest rates are not easily available in the lease contracts. PHM's incremental borrowing rate is determined based on financing offers received and market conditions. Further information regarding the incremental borrowing rate has been disclosed in Note 4.1. Financial risk management.

Interest expenses on lease liabilities are recognised in financial expenses in the statement of profit and loss over the lease term. The lease liabilities are subsequently measured at initial recognition less lease payments that are allocated to the principal.

Short-term lease contracts and contracts of low-value assets

PHM applies the exemptions applicable to short-term lease contracts (lease period 12 months or less) and to lease contracts for which the underlying asset is of low value. The lease assets are considered to be of low value when the underlying asset value is estimated to be under the threshold of EUR 200 on a monthly basis. However, car leases under EUR 200 are included to the lease calculations. These low value lease contracts, which are not included to the lease calculations, are not recognised in the statement of financial position but recorded as expenses when the costs are incurred. Lease expenses recognised for short-term leases and low-value assets are presented in more detail in Note 2.2. Other operating income and expenses.

Right-of-use assets

EUR thousand	Buildings	Vehicles	Machinery	Other	Total
1.1.2024	**28,653**	**12,166**	**6,814**	**68**	**47,701**
Additions	29,075	6,886	3,282	4	39,247
Business combinations	19,697	2,382	484	15	22,578
Depreciations for the financial year	-18,287	-6,993	-2,762	-44	-28,087
Translation differences	-58	-320	-255	-0	-632
At 31.12.2024	**59,080**	**14,122**	**7,563**	**42**	**80,808**
1.1.2023	**18,186**	**5,740**	**2,580**	**31**	**26,536**
Additions	13,438	4,340	2,611	85	20,474
Business combinations	8,736	6,633	3,408	-	18,777
Depreciations for the financial year	-11,449	-4,315	-1,571	-47	-17,383
Translation differences	-257	-232	-213	-1	-703
At 31.12.2023	**28,653**	**12,166**	**6,814**	**68**	**47,701**

Lease liabilities

EUR thousand	2024	2023
1.1.	**48,936**	**27,222**
Additions	48,714	23,742
Business combinations	22,578	18,777
Lease payments	-31,116	-18,807
Interest expenses	-5,053	-1,999
31.12.	**84,059**	**48,936**

EUR thousand	2024	2023
Long-term lease liabilities	56,186	29,476
Short-term lease liabilities	27,873	19,459
31.12.	**84,059**	**48,936**

The maturity analysis of lease liabilities is disclosed in Note 4.5. Borrowings and lease liabilities.

Impact of leases on profit and loss statement

EUR thousand	1.1.-31.12.2024	1.1.-31.12.2023
Short-term leases	-904	-179
Low value assets	-988	-93
Depreciations of right-of-use assets	-28,087	-17,383
Interest expenses from lease liabilities	-5,053	-1,999
Total	**-33,141**	**-19,383**

Payments of lease liabilities during the financial period 2024 were EUR 31,116 thousand (2023: EUR 18,807 thousand).

Accounting estimates and management's judgements

The most significant management judgment relates to open-ended real-estate lease agreements. For these contracts, management needs to estimate the length of the lease term, which may significantly affect the amounts of the right-of-use asset and lease liability, as well as the related depreciation and interest expense.

Management judgment is also applied in defining the incremental borrowing rate used to calculate the present value of the future lease payments. PHM applies a margin based on an external loan agreement to determine the incremental borrowing rate plus a risk-free reference rate that takes into consideration the currency of the lease payments and the lease term of the lease. In PHM, the discount rate is determined according to the operating country, contract term and lease asset class. As a reference discount rate for real-estate PHM uses its high-yield bond interest rate; and for machinery and equipment lease contracts, PHM uses SSRCF limit rate as reference. Based on PHM's analysis, these interest rates correspond to PHM's expenses of financing.

For real estate contracts valid until further notice, PHM analyses the lease term on a case-by-case basis supported by PHM’s three-year strategy period. For those contracts with an option to extend, PHM estimates the likelihood to use the option. If it is reasonably certain that the option will be used, the extension option is taken into account when measuring the lease liability. For contracts including a purchase option, PHM evaluates the likelihood of the purchase transaction based on the asset class and the lease period. For car lease contracts, the lease term is generally assessed to be a 3-5-year contract period. The estimates of the interest rates of lease contracts are updated every year.

3.6. Trade and other receivables

Accounting principles

Trade and other receivables arise from typical business transactions and are non-interest-bearing receivables. A trade receivable is recognised if an amount of consideration that is unconditional is due from the customer. Trade receivables are initially recognised at fair value at inception and recognised as subsequently measured at amortised cost following the classification of financial assets. Other receivables are recognised as cost and typically include tax receivables and other short-term accruals, which are not considered as financial assets.

Trade receivables

EUR thousand	31.12.2024	31.12.2023
Trade receivables from external customers	105,908	88,884
Provision for expected credit losses	-3,680	-1,763
Total trade receivables	**102,228**	**87,121**

Trade receivables are non-interest bearing and are generally on payment terms of 14 to 45 days. Trade receivables that are over 360 days past due are considered as defaulted. Past due trade receivables are subject to enforcement activity and collection. The collection process is managed by the PHM's credit control unit.

For terms and conditions relating to related party receivables, refer to Note 5.1. At the end of fiscal year 2024, there were no open receivables from the related parties.

Other current assets consist of prepayments, accrued income and other receivables. Other receivables include VAT receivables and other related items. Other receivables considered as non-current assets amounted to EUR 1,550 (842) thousand on 31 December 2024. The receivables under other current assets are presented below.

Other receivables and other current assets

EUR thousand	31.12.2024	31.12.2023
Prepayments and accrued income	27,301	19,081
Other receivables	11,472	10,089
Other current assets	**38,773**	**29,171**

Expected Credit Loss (ECL) calculation

The expected credit loss calculation is based on historical data adjusted by forward-looking parameters based on customers' payment behaviour. PHM has analysed its trade receivables as one portfolio, because the payment behaviour is homogeneous. The management estimates the customers' payment behaviour and economic events in every reporting period. PHM estimates the timeliness of a payment alongside a customers' payment profile in order to recognise the time value of money effect for the credit receivables. As PHM does not use financing as part of their sales contracts in accordance with IFRS 15, the client's time value of money is discounted separately for each past due bracket, as presented in the ECL table below. PHM applies the simplified approach to calculate the estimated credit losses for each period.

The expected credit losses for contract assets include the expected credit losses from open accounts receivable at each quarterly reporting period. The expected credit loss rate of contract assets is assumed to match the rate used for current trade receivables.

In order to avoid excessive concentrations of risk, PHM Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified customer portfolio. Identified concentrations of credit risks are controlled and managed accordingly. In PHM Group, the share of an individual customer is never significant, which reduces the risk of credit losses.

Set out below is the information about the credit risk exposure of the Group's trade receivables, using a provision matrix:

Expected Credit Loss 31.12.2024

EUR thousand	%	Gross value	Expected credit loss	Net value
Current	0.1%	79,801	-80	79,721
Overdue 1-30 days	0.5%	15,457	-77	15,380
Overdue 31-90 days	2.0%	4,222	-84	4,138
Overdue 91-180 days	10.0%	2,105	-211	1,895
Overdue 181-360 days	50.0%	2,191	-1,096	1,096
Overdue > 360 days	100.0%	2,132	-2,132	0
Total		**105,908**	**-3,680**	**102,228**

Expected Credit Loss 31.12.2023

EUR thousand	%	Gross value	Expected credit loss	Net value
Current	0.1%	69,244	-69	69,175
Overdue 1-30 days	0.5%	11,923	-60	11,863
Overdue 31-90 days	2.0%	4,488	-90	4,398
Overdue 91-180 days	10.0%	1,137	-114	1,024
Overdue 181-360 days	50.0%	1,323	-661	661
Overdue > 360 days	100.0%	770	-770	0
Total		**88,884**	**-1,763**	**87,121**

There are no changes in the expected credit loss valuation methods or assumptions between the comparison periods. Due to the immaterial amount of the loan receivables from and loan payables to the parent of the group, the expected credit loss was not calculated for either financial period.

3.7. Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within 12 months or less. Otherwise they are presented as non-current liabilities.

EUR thousand	31.12.2024	31.12.2023
Other non-current payables		
Contingent liabilities	435	2,100
Other long-term liabilities	7,152	-37
Group contribution liability to PHM Group TopCo Oy	1,398	1,311
Other non-current payables total	**8,985**	**3,375**

EUR thousand	31.12.2024	31.12.2023
Current trade and other payables		
Trade payables	49,723	46,391
Personnel-related liabilities	83,059	64,032
Other payables	39,793	30,498
Accrued interest	5,841	1,666
Accrued expenses and deferred income	24,243	13,312
Current trade and other payables total	**202,658**	**155,898**

Other payables consist of contingent considerations, VAT liabilities, withholding tax and social security pay. Accrued expenses and deferred income in the table consist mainly of accrued costs and personnel-related expenses.

4. Financial Instruments and Capital Structure

4.1. Financial risk management

Financial instrument risk management objectives and policies

PHM's principal financial instruments are exposed to various financial risks. Financial risks include market risk, credit risk and liquidity risk. Market risk covers foreign exchange risk and interest rate risk. In addition, PHM's financial assets are exposed to counterparty credit risk. PHM's management monitors and manages its financial risks in accordance with its Risk Management Policy. PHM has appropriate policies and procedures, and financial risks are identified, measured and managed in accordance with PHM's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks.

Currently, PHM does not use derivatives to hedge its risks associated with market risk. In 2023, PHM did, however, do a one-time hedge relating to the purchase of Sefbo, to protect against FX fluctuation between the signing and closing of the transaction. However, PHM key management has a mandate from the Board of Directors to use derivatives if deemed necessary. The objective of PHM is to monitor and minimise financial risk exposures. PHM has centralised management for its financing arrangements on group level.

As PHM is a local service business, the war in Ukraine has had a limited direct impact on the company's operations. The main impacts from the crisis are general price inflation and economic uncertainty.

Market risk

Market risk is the risk that the fair value or future cash flows arising from financial instrument will fluctuate because of changes in market prices or market conditions. Market risk comprises interest rate risk and currency risk. A sensitivity analysis of the market risks is presented below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. PHM’s exposure to interest rate fluctuations relates primarily to the debt obligations that have floating interest rate linked to Euribor. Changes in market interest rates have a direct effect on PHM's future interest payments. Of the external loans, 36% have fixed interest rates, which decreases interest rate risk. The exposure to interest rate risk consists of the floating rate senior secured notes of EUR 300 million and the Term Loan B of EUR 300 million with a floating rate.

The interest rates of intra-group loans are in line with the interest rates of external financing.

PHM Group Holding Oyj issued senior secured callable fixed rate notes with an initial principal amount of EUR 300 million in 2021. The loan is due on 18 June 2026. In February 2022 PHM completed a tap issue of its senior secured callable fixed rate notes in the nominal amount of EUR 40 million, with same terms as the previously issued 300 million loan.

New euro-denominated senior secured floating rate notes in a nominal amount of EUR 300 million were issued during 2022-2023. In 2024 PHM Issued another EUR 35 million loan under EUR 450 million framework. The notes are listed on the Nasdaq Helsinki Stock Exchange and the Frankfurt Open Market. In addition, PHM launched a senior secured Term Loan B of EUR 300 million. The floating rate loan has a maturity of seven years.

At the beginning of the year, the Group had a super senior revolving credit facility of EUR 77.5 million, which was increased to 92.5 million.

Interest-bearing loans

Debt Instrument	Interest	Interest type	Loan raised	Capital amount at 31.12.2024 EUR million
Super senior RCF	Euribor + Margin	Floating	2021	25
Loans from financial institutions	Reference rate + Margin	Fixed/Floating	2020-2021	22
Bond	4.75%	Fixed	2021	340
Bond	3 m Euribor + 7.5%	Floating	2022-2024	300
Term Loan B	3 m Euribor + 4.75%	Floating	2022-2023	300

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of loans and borrowings affected. A sensitivity analysis has been calculated assuming 0.5% variation in the market interest rate, with other variables remaining constant.

	31.12.2024		31.12.2023	
EUR thousand	Profit of the year	Equity	Profit of the year	Equity
+0.5% change in market interest rate	-3,125	-3,125	-1,425	-1,425
-0.5% change in market interest rate	3,125	3,125	1,425	1,425
+1.0% change in market interest rate	-6,250	-6,250	-2,850	-2,850
-1.0% change in market interest rate	6,250	6,250	2,850	2,850

Foreign currency risk

PHM operates in Finland, Sweden, Norway, Denmark, Germany and Switzerland. 69.6% of PHM's revenue is generated in currencies other than euros. As a result, the group is exposed to various currency risks, which arise from cash flows in different currencies related to revenues and expenses (transaction risk) as well as the conversion of foreign subsidiaries' income statement and balance sheet items into euros (translation risk).

Transaction Risk

All subsidiaries operate with their local currency as the functional currency. The companies conduct their business in their functional currency without significant foreign currency transactions, so there is no significant transaction risk arising from exchange rate fluctuations. The group's external financing is primarily in euros, but the business generates cash flow in currencies other than euros as well. This creates a risk that if other currencies weaken relative to the euro, PHM's ability to meet its debt obligations may be impaired. PHM manages this risk by monitoring the development of the group's debt-to-equity ratio and considers hedging loan positions if necessary.

Translation risk

Changes in consolidation rates affect PHM's euro-denominated income and cash flow statements as well as the values of balance sheet items. Since a significant part of PHM's business is in currencies other than euros, translation risk is essential for PHM. A ten percent change in the average exchange rates for the year against the euro would have caused a 6.3 (4.2) per cent change in PHM's euro-denominated revenue in 2024. PHM's internal loan arrangements are mainly made in the parent company's local currency, and the subsidiary's exchange rate risk is not hedged. Unrealised exchange rate differences arising from the revaluation of internal loans are recorded in the group's equity translation differences.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial credit loss. PHM is exposed to credit risk from its operating activities, which primarily includes trade receivables.

In relation to the credit risk, PHM is exposed to a counterparty risk, which is managed alongside the credit risk by recognising the customer prior to trading for the services. PHM operates only with recognised, creditworthy parties. Receivable balances are monitored and collected on an ongoing basis. The maximum exposure to credit risk at the reporting date is the carrying value of financial assets. There are no significant concentrations of credit risk within PHM. Please see Note 3.6 Trade and other receivables regarding credit risk.

Liquidity risk

PHM monitors its available funds and maturity analysis as the basis for concluding its cash requirements. Management assesses the business forecast and the related cash flows to maintain the liquidity requirements.

PHM's objective is to maintain a balance between continuity of funding and flexibility through the use of bank balances, and if necessary, bank loans. PHM has assessed the concentration of risk with respect to refinancing its debt and has concluded that it is low.

The group has a good liquidity position, as cash and cash equivalents amounted to EUR 55.0 million at year end, and the amount of undrawn short-term credit facility was EUR 62.5 million.

PHM has a considerable head room for covenants at their current position. The Group has not had any repayment events caused by breaches of covenants in fiscal years 2024 and 2023.

Please see further information regarding the liquid assets in Note 4.4. Cash and cash equivalents.

Maturity distibution of financial liabilities

The following table describes the contractual maturity distribution of the remaining financial liabilities on the balance sheet date. The presented figures are gross and undiscounted.

Based on the maturity distribution position, PHM's management facilitates the credit position and liquidity requirement.

31.12.2024

EUR thousand	Carrying amount	Due in less than a year	Due in 1-5 years	Due in over 5 years	Total cash outflows
Interest-bearing loans and borrowings incl. interest	978,084	-103,131	-796,625	-310,464	-1,210,220
Lease liabilities	84,059	-33,047	-65,101	-	-98,148
Trade payables	49,723	-49,723	-	-	-49,723
Contingent considerations	2,079	-1,644	-435	-	-2,079
Total	**1,113,945**	**-187,545**	**-862,161**	**-310,464**	**-1,360,171**

31.12.2023

EUR thousand	Carrying amount	Due in less than a year	Due in 1-5 years	Total cash outflows
Interest-bearing loans and borrowings incl. interest	630,312	-63,067	-719,023	-782,090
Lease liabilities	48,936	-19,028	-29,526	-48,554
Trade payables	46,391	-46,391	-	-46,391
Contingent considerations	5,214	-3,114	-2,100	-5,214
Total	**730,852**	**-131,600**	**-750,649**	**-882,249**

4.2. Fair value measurement

PHM measures financial instruments at fair value at each balance sheet date. Aside from this note, additional fair value related disclosures, including the valuation methods, significant estimates and assumptions are also provided in Note 3.1. Business combinations.

Accounting principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by PHM.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

PHM uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair value estimation

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1:
The fair value of these assets or liabilities is based on available quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2:
The fair value of these assets or liabilities is based on valuation techniques, for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. The inputs for the valuation are based on quoted or other readily available sources.

Level 3:
Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable and require independent consideration and judgement from the valuation perspective.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, PHM determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, PHM's management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per PHM’s accounting policies.

For the purpose of fair value disclosures, PHM has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

In PHM Group, contingent liabilities are based on level 3 information. Management's estimate regarding contingent liabilities is based on the financial development of the target company, supported by its historical result, budget and latest business plan.

Fair values

Set out in the financial instruments tabular presentation (Note 4.3. Financial assets and liabilities) is a comparison, by class, of the carrying amounts and fair values of PHM's financial instruments, other than those with carrying amounts that are reasonable approximations of fair value.

4.3. Financial assets and liabilities

Accounting principles

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

PHM's financial assets are measured at fair value at initial recognition at trade date, and are classified and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss. The classification is based on the contractual cash flow characteristics of the financial asset and PHM's business model for managing the instruments. In the fiscal years 2024 and 2023, all the group's financial assets have been classified and recorded at amortised cost.

Amortised cost
Financial assets are classified at amortised cost, if the objective of holding the asset is to collect contractual cash flows and if the cash flows are solely payments of principal and interest. Financial assets which fulfil both of the conditions are subsequently measured using the effective interest rate method (EIR) and are subject to impairment. Any gains or losses from these financial assets are recognised in profit or loss when the asset is derecognised, modified or impaired.

PHM's financial assets at amortised cost include cash and cash equivalents, trade and loan receivables.

Derecognition of financial assets
PHM derecognises a financial asset when, and only when, the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset, and the transfer qualifies for derecognition.

When PHM has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, PHM continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability.

There were no such items on balance sheet at year end.

Impairment of financial assets
Further disclosures relating to impairment of financial assets are also provided in the following notes:
- Disclosures for significant assumptions (1.2.-1.3.)
- Trade receivables (3.6.)

Further information about ECL is presented in Note 4.1. Financial Risk Management.

Financial liabilities

PHM recognises a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provision of the instrument. PHM's financial liabilities are measured at fair value at initial recognition at trade date and are classified as subsequently measured at amortised cost and fair value through profit or loss. The financial liabilities are classified to their respective current and non-current accounts.

Amortised cost
PHM's financial liabilities classified at amortised cost, such as interest-bearing loans and borrowings and lease liability, are initially recognised at fair value less any related transaction cost, and are subsequently measured using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Financial liabilities classified at amortised cost include loans from financial institutions, bonds, lease liabilities and trade payables.

Financial liabilities at fair value through profit and loss
Financial liabilities measured at fair value through profit and loss include financial liabilities held for trading and financial liabilities classified upon initial recognition at fair value through profit and loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities at fair value through profit and loss include contingent considerations arising from business combinations. For more information, see Note 4.5. Borrowings and lease liabilities.

Derecognition of financial liabilities
PHM derecognises financial liabilities when, and only when, the obligation of a financial liability specified in its respective contract is discharged, cancelled or it expires.

4.3. Financial assets and liabilities (continues)

Financial instruments by classification 31.12.2024

Financial assets, 2024

EUR thousand	Note	Level	Fair value through profit and loss	At amortised cost	Fair value
Current financial assets					
Trade receivables	3.6.	2	-	102,228	102,228
Loan receivables	4.3.	2	-	496	496
Cash and cash equivalents	4.4.	2	-	55,011	55,011
Current financial assets total			**-**	**157,735**	**157,735**
Financial assets total			**-**	**157,735**	**157,735**

Financial liabilities, 2024

EUR thousand	Note	Level	Fair value through profit and loss	At amortised cost	Fair value
Non-current financial liabilities					
Bonds	4.5.	2	-	625,294	624,126
Senior secured Term Loan B	4.5.	2	-	300,000	291,625
Loans from financial institutions	4.5.	2	-	525	525
Hire purchase loans	4.5.	2	-	15,927	15,927
Contingent consideration	4.5.	3	435	-	435
Non-current financial liabilities total			**435**	**941,746**	**932,638**
Current financial liabilities					
Loans from financial institutions		2	-	26,305	26,305
Hire purchase loans		2	-	4,192	4,192
Trade payables	3.7.	2	-	49,723	49,723
Leasing liabilities	3.5.	2	-	84,059	84,059
Contingent consideration	4.5.	3	1,644	-	1,644
Current financial liabilities total			**1,644**	**164,279**	**165,923**
Financial liabilities total			**2,079**	**1,106,024**	**1,098,561**

Financial instruments by classification 31.12.2023

Financial assets, 2023

EUR thousand	Note	Level	Fair value through profit and loss	At amortised cost	Fair value
Current financial assets					
Trade receivables	3.6.	2	-	87,121	87,121
Loan receivables	4.3.	2	-	138	138
Cash and cash equivalents	4.4.	2	-	35,026	35,026
Current financial assets total			**-**	**122,286**	**122,286**
Financial assets total			**-**	**122,286**	**122,286**

Financial liabilities, 2023

EUR thousand	Note	Level	Fair value through profit and loss	At amortised cost	Fair value
Non-current financial liabilities					
Bonds	4.5.	2	-	588,871	587,988
Loans from financial institutions	4.5.	2	-	1,521	1,521
Hire purchase loans	4.5.	2	-	13,548	13,548
Contingent consideration	4.5.	3	2,100	-	2,100
Non-current financial liabilities total			**2,100**	**603,940**	**605,158**
Current financial liabilities					
Loans from financial institutions		2	-	20,640	20,640
Hire purchase loans		2	-	4,066	4,066
Trade payables	3.7.	2	-	46,391	46,391
Leasing liabilities	3.5.	2	-	48,936	48,936
Contingent consideration	4.5.	3	3,114	-	3,114
Current financial liabilities total			**3,114**	**120,032**	**123,146**
Financial liabilities total			**5,214**	**723,973**	**728,304**

4.4. Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand with a maturity of three months or less. Cash and cash equivalents are subject to a minor risk of changes in value. Cash deposits of the Group are deposited in banks with a low credit risk.

EUR thousand	31.12.2024	31.12.2023
Cash in banks and on hand	55,011	35,026
Total	**55,011**	**35,026**

4.5.Interest-bearing loans and borrowings

Interest-bearing liabilities and net interest-bearing debt

Net interest-bearing debt

EUR thousand	Note	2024	2023
Non-current interest-bearing liabilities	4.3.	941,746	603,940
Current interest-bearing loans and borrowings	4.3.	30,497	24,706
Lease liabilities	3.5.	84,059	48,936
Contingent consideration	4.3.	2,079	5,214
Cash and cash equivalents	4.4.	-55,011	-35,026
Net interest-bearing debt total		**1,003,370**	**647,769**

Changes in the interest-bearing liabilities

31.12.2024

EUR thousand	Opening balance 1.1.	Business combinations	Translation differences	Other changes	Reporting date balance 31.12.
Non-current interest-bearing liabilities	603,940	1,453	-222	336,574	941,746
Current interest-bearing liabilities	24,706	22,991	389	-17,589	30,497
Lease liabilities	48,936	22,578	-651	13,196	84,059
Contingent considerations	5,214	-	-87	-3,048	2,079
Total changes in interest-bearing liabilities	**682,796**	**47,023**	**-571**	**329,133**	**1,058,381**

31.12.2023

EUR thousand	Opening balance 1.1.	Business combinations	Translation differences	Other changes	Reporting date balance 31.12.
Non-current interest-bearing liabilities	418,297	1,043	-78	184,679	603,940
Current interest-bearing liabilities	4,314	207	4	20,180	24,706
Lease liabilities	27,222	18,777	-700	3,636	48,936
Contingent considerations	2,987	-	-21	2,248	5,214
Total changes in interest-bearing liabilities	**452,819**	**20,028**	**-795**	**210,744**	**682,796**

Contingent considerations

PHM has contingent considerations related to its acquisitions. PHM recognises contingent considerations at fair value through profit or loss. Re-evaluation is made at each reporting date based on the likelihood of meeting the predetermined targets set at acquisition. The earn-out is based on an agreed performance target of the acquired entity, which is typically an agreed EBITDA target for the entity.

In connection with the acquisitions of the financial period ending 31.12.2024, PHM has agreed on a contingent consideration based on the performance of the acquired companies. PHM has estimated the contingent consideration to an amount of EUR 2,079 thousand included in the acquisition price at the acquisition date, of which EUR 435 thousand will mature in less than five years and EUR 1,644 thousand will mature in less than a year.

In connection with the acquisitions of the financial period ending 31.12.2023, PHM has agreed on a contingent consideration based on the performance of the acquired companies. PHM has estimated the contingent consideration to an amount of EUR 5,214 thousand included in the acquisition price at the acquisition date, of which EUR 2,100 thousand will mature in less than five years and EUR 3,114 thousand will mature in less than a year.

Publicly traded bonds

Before fiscal year 2024, PHM Group Holding Oyj had issued senior secured callable fixed rate notes with an initial principal amount of EUR 340 million. The notes are due on 18 June 2026. Additionally, PHM Group Holding Oyj has issued senior secured callable floating rate notes in a total amount of EUR 265 million with a maturity date of 19.6.2026. During fiscal year 2024, PHM Group Holding Oyj issued further senior secured callable floating rate notes in the amount of EUR 35 million in March with a maturity date of 19 June 2026. During the fiscal year, PHM Group Holding Oyj notes were listed on the NASDAQ Helsinki Oy and Frankfurt open market main list. In June 2024, PHM issued a EUR 300 million senior secured Term loan B with a floating rate. The loan is due on 10 June 2031.

After the fiscal year, in April 2025, PHM repaid its debt obligations for the fiscal year and reorganised its financing. The new financing consists of a EUR 1 billion Term Loan B with a seven-year maturity. The loan bears a floating rate and has a margin of 3.5 per cent. The Term Loan B is complemented by a new EUR 150 million pari passu revolving credit facility (RCF) with a six-year maturity.

4.6. Capital management

The primary objective of the Group’s capital management is to ensure continuity of operations (going concern), enable the execution of the Group's strategy, and increase the shareholder value.

PHM manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, and to ensure availability of capital. To maintain or adjust the capital structure, PHM may issue new debt instruments, repay existing debt, adjust the dividend payment to shareholders, return capital to shareholders, or issue new shares. PHM monitors its capital structure by following its leverage ratio, equity and net debt levels. Within net debt, PHM includes interest bearing loans and borrowings, lease liabilities and contingent considerations, less cash and cash equivalents.

Interest-bearing net debt is presented separately in Note 4.5. Interest-bearing loans and borrowings.

Capital structure

EUR thousand	2024	2023
Net debt (Note 4.5)	1,003,370	647,769
Equity	221,987	207,527
Leverage, x	5.09	5.36

PHM aims to keep its debt ratio below 5.5x to ensure the availability of external capital on reasonable terms in accordance with its loan agreements. The debt ratio is calculated by dividing interest-bearing net debt by LFL synergy-adjusted EBITDA. More information on the calculation of the debt ratio can be found in the key figures section of the Board of Directors' report. PHM has a covenant condition only for its EUR 92.5 million Super Senior RCF credit limit, of which EUR 25 million was drawn at the end of the financial year. The drawn RCF loan divided by adjusted reported EBITDA must be less than 1.5x, or the bank has the right to demand repayment of the loan. At the end of the financial year 2024, the ratio was 0.16x. There is no risk of breaching the covenant condition in the next 12 months.

No changes were made in the objectives, policies or processes for managing capital during the fiscal year 2024.

4.7. Equity

The Group classifies the instruments it has issued either in equity or in financial liabilities based on their nature. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Expenses related to the issuance or acquisition of equity instruments are presented as an allowance for equity.

Equity and capital reserves

Group equity as of 31.12.2024 consists of share capital, reserve for unrestricted equity, and exchange differences on translation of foreign operations. Remeasurement of post-employment benefit obligations has been booked to equity since the beginning of fiscal year 2024.

Share capital

The share capital of PHM Group Holding Oyj is EUR 80 thousand. During fiscal year 2024, there were no changes in the share capital.

Fund for unrestricted equity

The fund for unrestricted equity contains the other equity-related investments and share subscription prices to the extent that these are not included in the share capital. An addition of EUR 53,405 thousand was made to the fund for unrestricted equity during the fiscal year 2024, of which EUR 52,094 million was made in connection with the Switzerland-based Valores Group acquisition.

Translation differences on translation of foreign operations

Exchange differences relating to the translation of the results and net assets of PHM's foreign operations from their functional currencies to the Group's presentation currency (i.e. euro) are recognised in other comprehensive income and accumulated in the equity. Additionally, gains and losses arising from revaluation of net investments in foreign subsidiaries are included in exchange differences on translation of foreign currencies.

Remeasurements of post-employment benefit obligations

Remeasurements of the net defined benefit liability or asset defined in "IAS 19 - Employee benefits" are recognised in other comprehensive income. Remeasurements comprise actuarial gains and losses, return on plan assets, and some changes in the effect of the asset ceiling.

Dividends

The Board of Directors proposes to the Annual General Meeting that for the financial year 2024, no dividend will be distributed and that the profit for the period shall be recorded within retained earnings.

PHM Group Holding Oyj distributed dividends to its parent company PHM Group TopCo Oy: EUR 1,468 thousand in fiscal year 2024. In addition, PHM Group Holding Oyj distributed profit as group contribution to its parent company PHM Group TopCo Oy: EUR 1,398 thousand in fiscal year 2024 and EUR 1,311 thousand in fiscal year 2023.

Shares

PHM Group Holding Oyj has one share class and one share outstanding, which is owned by PHM Group TopCo Oy.

Subordinated loan

PHM Group Holding Oyj has no subordinated loans.

4.8 Other shares and investments

PHM's investments in other shares consist of shares in joint ventures and housing co-operatives and other equity shares. Shares in a housing co-operative company are a typical ownership structure for Finnish apartments and commercial spaces, in which the acquirer owns the shares, allowing for tenure in a specific unit, and the company around the housing co-operative facilitates the maintenance and public spaces. Other shares and investments are initially measured at cost and are subsequently measured at cost less any impairment.

EUR thousand	2024	2023
Other shares and investments	4,641	3,011

5. Other notes

5.1. Related party transactions

PHM's related parties comprise subsidiaries, the Board of Directors, the CEO and the rest of the company's management team and their close family members, as well as entities under their control or joint control, and sister companies belonging to the group structure.

PHM is a wholly-owned subsidiary of PHM Group TopCo Oy ("TopCo"). TopCo's three most significant shareholders in terms of shares and voting rights on 31 December 2024 were as follows: Norvestor Fund VIII SCSp, 50.03% of votes and 37.28% of shares; Intera Fund III Ky, 7.42% of votes and 9.31% of shares; and Mivi Capital Oy, 6.82% of votes and 8.56% of shares. The remaining shares and votes in TopCo are held by other investors and the key employees of PHM.

Balances and transactions between the parent and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

The following tables provide the total number of transactions that have been entered into with related parties for the financial year 2024 and 2023.

Compensation of key management personnel

The key personnel in the Group's management consist of the members of the Board of Directors, the Group CEO, and the members of the Group management team. The amounts disclosed in the table are expensed during the fiscal year.

Compensation of key management personnel

EUR thousand	2024	2023
Karl Svozilik, Chairman of the Board	-	-
Ståle Kolbjørn Angel	-18	-18
Tuomas Sarkola	-	-
Svein Olav Stølen	-18	-18
Marika af Enehjelm	-	-
Stéphane Bonvin	-	-
Total	**-36**	**-36**

Group management team

EUR thousand	2024	2023
Salaries and short-term employee benefits	-3,290	-2,258
Post-employment pension and medical benefits	-86	-50
Total	**-3,376**	**-2,308**

Other related party transactions

Service provided to

EUR thousand	2024	2023
to companies held by the CEO or to the CEO	514	489
Total	**514**	**489**

Services Purchased from

EUR thousand	2024	2023
Real-estate leases from Mivi Capital (the CEO is a shareholder)	-753	-732
Personnel recreation expenses from Scandinavian Outdoor (the CEO is a shareholder)	-135	-104
Total	**-888**	**-836**

Liabilities to PHM Group TopCo Oy

EUR thousand	2024	2023
Group contribution liability	1,398	1,311
Total	**1,398**	**1,311**

5.2. Contingent liabilities and commitments

Other commitments and obligations for the Group

EUR thousand	2024	2023
Liabilities with pledges, mortgages or other assets pledged as collateral		
Liabilities	32,767	35,113
Total	**32,767**	**35,113**
Securities pledged as collateral for the Group's own commitments regarding the above-mentioned liabilities		
Business mortgages	1,680,000	1,250,000
Total	**1,680,000**	**1,250,000**

Obligations for lease liabilities

EUR thousand	2024	2023
Leasing liabilities payable in the following financial year	334	216
Leasing liabilities payable in later financial years	1,002	623
Total	**1,336**	**839**

Obligations for rent liabilities

EUR thousand	2024	2023
Rent liabilities payable in the following financial year	1,558	56
Rent liabilities payable in later financial years	4,673	149
Total	**6,230**	**204**

Legal claim contingency

PHM has not had any material outstanding or ongoing juridical cases with employees, former employees, customers, or other parties to the companies from which PHM would be liable to compensate the other party.

5.3. Events after reporting period

PHM Group has continued its strategy of growing through acquisitions even after the year end, and it continues to have a strong pipeline of active dialogues. None of the closed transactions are such that they would have a material impact on the Group's business or financial position.

In April 2024, PHM repaid its debt obligations for the fiscal year and reorganised its financing. The new financing consists of a EUR 1 billion Term Loan B with a seven-year maturity. The loan bears a floating rate and has a margin of 3.5 per cent. The Term Loan B is complemented by a new EUR 150 million pari passu revolving credit facility (RCF) with a six-year maturity. The financing will be used for the Group's general corporate and working capital purposes.

Parent company's financial statements (FAS)

Parent Company Income Statement

EUR	1.1.-31.12.2024	1.1.-31.12.2023
Revenue (net sales)	1,102,001	0
Other operating expenses	-1,688,811	-1,313,224
Operating profit (loss)	**-586,617**	**-1,313,224**
Financial income and expenses		
Other interest and financial income	58,162,551	36,358,106
Interest and other financial expenses	-72,843,129	-41,825,629
Financial income and expenses, total	-14,680,578	-5,467,523
Profit (loss) before appropriations and taxes	**-15,267,195**	**-6,780,746**
Group contribution	15,264,011	7,416,334
Depreciation reserve	629	-629
Taxes	995	-41,062
Profit for the financial period	**-1,560**	**593,896**

Parent company Balance Sheet

EUR	2024	2023
Assets		
Non-current assets		
Tangible assets	15,736	23,289
Investments		
Holdings in Group companies	430,159,998	294,409,998
Subordinated loans receivable	32,336,889	36,855,144
Receivables from Group companies	761,576,266	484,886,946
Total investments	1,224,073,153	816,152,088
Total non-current assets	**1,224,088,889**	**816,175,377**
Current assets		
Current receivables	65,230	59,793
Receivables from Group companies	16,662,480	8,727,582
Total current receivables	16,727,710	8,787,375
Cash equivalents	0	500,000
Total current assets	**16,727,710**	**9,287,375**
Total assets	**1,240,816,599**	**825,462,752**

EUR	2024	2023
Equity and liabilities		
Equity		
Share capital	80,000	80,000
Other reserves (Ltd)	261,643,515	208,238,517
Retained earning	-1,305,569	-431,349
Profit (loss) for the financial year	-1,560	593,896
Total shareholder's equity attributable to equity holders of the parent	**260,416,386**	**208,481,064**
Depreciation reserve	**0**	**629**
Liabilities		
Non-current liabilities		
Bond loans	640,000,000	605,000,000
Senior secured Term Loan B	300,000,000	0
Total non-current liabilities	**940,000,000**	**605,000,000**
Current liabilities		
Liabilities to Group companies	33,240,281	9,515,036
Short term liabilities	7,159,932	2,466,022
Total current liabilities	**40,400,212**	**11,981,059**
Total liabilities	**980,400,212**	**616,981,059**
Total equity and liabilities	**1,240,816,599**	**825,462,752**

Parent Company Statement of Cash Flow

EUR	2024	2023
Operating activities		
Profit before tax	-15,267,195	-6,780,746
Adjustments to reconcile profit before tax to net cash flows:		
Finance income and expenses	14,680,578	5,467,523
Change in working capital	24,057,132	43,872,687
Net cash flow from operating activities	**23,470,515**	**42,559,464**
Net cash flow from investing activities		
Acquisition of a subsidiary, net of cash acquired	-128,750,000	-70,000,000
Investments in intangible and tangible assets	0	-30,213
Net cash flow from investing activities	**-128,750,000**	**-70,030,213**
Net cash flow from financing activities		
Loans granted	-221,181,375	-184,666,252
Proceeds from borrowings	335,000,000	195,000,000
Change in equity	50,625,633	46,685,317
Net interest and finance cost paid	-59,664,773	-29,048,315
Net cash flow from financing activities	**104,779,485**	**27,970,750**
Net increase in cash and cash equivalents	**-500,000**	**500,000**
Cash and cash equivalents at 1.1.	500,000	0
Cash and cash equivalents at 31.12.	**0**	**500,000**

Notes to the Parent Company Financial Statements

Accounting policies

The financial statements have been prepared in accordance with the Small Business Act (in accordance with Chapters 2 and 3 of the PMA).

Valuation and accrual principles and methods

The company's valuation principles and methods, as well as the accrual principles and methods, are in accordance with sections 3: 1.2–3 of the PMA (Small Business Act), and therefore no separate notes are presented on these.

Notes concerning the parent company's balance sheet

Asset breakdown

EUR	2024	2023
Holdings in Group companies		
PHM Group Oy	430,159,998	294,409,998

Breakdown of long-term receivables

EUR	2024	2023
Subordinated loan receivable PHM Group Oy	17,987,861	23,569,007
Subordinated loan receivable Kotikatu Oy	5,796,044	5,366,707
Subordinated loan receivable Nokian Kiinteistöhuolto Oy	813,474	753,217
Subordinated loan receivable PHM Finland Oy	1,533,656	1,420,052
Subordinated loan receivable Cateva Oy	799,353	740,141
Subordinated loan receivable PHM Liikekiinteistöt Oy	720,183	666,836
Subordinated loan receivable Kiinteistöhuolto J Rusanen Oy	1,145,096	1,060,274
Subordinated loan receivable Kotkan Kiinteistöpalvelu Oy	711,779	659,055
Subordinated loan receivable Kiinteistöpalvelu Lintula Oy	247,677	229,330
Subordinated loan receivable Kiinteistöhuolto Jurvelin Oy	1,519,872	1,407,289
Subordinated loan receivable TL-Maint Oy	1,061,894	983,235
Loan receivable PHM Group Oy	761,576,266	484,886,946
Long-term receivables total	**793,913,155**	**521,742,090**

EUR	2024	2023
Breakdown of short-term receivables		
Receivables from Group companies	16,662,480	8,727,582
Other receivables	65,230	59,793
Short-term receivables total	**16,727,710**	**8,787,375**
Cash and cash equivalents	0	500,000
Cash and cash equivalents	**0**	**500,000**

Breakdown of equity items

Restricted equity

EUR	2024	2023
Share capital 1 January 2024 & 1 January 2023	**80,000**	**80,000**
Increase	0	0
Decrease	0	0
Share capital 31 December	80,000	80,000
Total restricted equity	**80,000**	**80,000**

Unrestricted equity and other equity reserves

EUR	2024	2023
Other reserves 1 January 2024 & 1 January 2023	**208,238,519**	**160,238,339**
Increase	53,404,998	48,000,180
Decrease	0	0
Other reserves 31 December	261,643,517	208,238,519
Other reserves total	**261,643,517**	**208,238,519**
Retained earnings	-1,305,569	-431,349

EUR	2024	2023
Retained earnings 1 January 2024 & 1 January 2023	**-1,305,569**	**-431,349**
Profit (loss) for the period	-1,560	593,896
Retained earnings 31 December	**-1,307,129**	**162,548**
Non-restricted equity attributable to the owners of the parents	260,336,388	208,401,066

EUR	2024	2023
Retained earnings/losses	-1,307,129	162,548
Total restricted equity	80,000	80,000
Total unrestricted equity	261,643,517	208,238,519
Total Equity	**260,416,388**	**208,481,066**

Distributable funds attributable to the owners of the parent

EUR	2024	2023
Other reserves	261,643,517	208,238,519
Retained earnings/losses	-1,307,129	162,548
Total	**260,336,388**	**208,401,066**

Notes concerning the parent company's income statement

Total amounts of dividend income, interest income and interest expenses

Other interest and financial income

EUR	2024	2023
Interest income	49,203,050	25,211,975
Financial income	8,958,862	11,146,131
Foreign currency exchange gains/losses	639	0
Total	**58,162,551**	**36,358,106**

Interest and other financial expenses

EUR	2024	2023
Interest costs	-61,205,317	-29,935,290
Finance costs	-11,635,986	-11,889,973
Foreign currency exchange gains/losses	-279	320
Total	**-72,841,583**	**-41,824,943**

Other operating expenses

EUR	2024	2023
Materials and services	23	0
Personnel costs	-1,560,415	-1,213,871
Depreciations and amortisations	-7,553	-6,924
Other operating expenses	-120,865	-92,429
Total	**-1,688,811**	**-1,313,224**

Parent company's notes concerning personnel and members of the organs

Number and groups of personnel

The company did not have any employees during the financial year.

Loans and securities granted to the CEO, members of the Board of Directors, and other related parties

EUR	2024	2023
Other liabilities to PHM Group TopCo Oy	1,398,469	1,311,248
Nordea Cash Pool account liability to PHM Group Oy	31,841,812	8,203,788

Holdings in other companies	2024	2023
PHM Group Oy	100%	100%

Notes concerning the reporting entity included in the Group

PHM Group Holding's parent company is PHM Group TopCo Oy. The consolidated financial statements are available at Takomotie 1-3, FI-00380 Helsinki, Finland.

Report of the Board of Directors referred to in the limited liability companies act

Board of Directors' proposal for measures concerning the company's profit and any other distribution of non-restricted equity

The Parent company PHM Group Holding Oyj had EUR 260,3 million in distributable funds on 31 Dec 2024, of which the loss for the period was EUR 1,560. The Board of the Directors proposes that EUR 4,871,799.28 shall be distributed from the fund for unrestricted equity as permitted by the terms and conditions of the Company's financing arrangements.

Other commitments and obligations for the Group

EUR	2024	2023
Securities pledged as collateral for the Group's own commitments regarding the above-mentioned liabilities		
Business mortgages	1,680,000,000	1,250,000,000
Total	**1,680,000,000**	**1,250,000,000**

Signatures to the Board of Directors' Report and the Financial Statements

Confirmation of the Board of Directors and the CEO

We confirm that

- the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the financial statements of the parent company prepared in accordance with the laws and regulations governing the preparation of financial statements in Finland give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole;

- the management report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face and

- that the sustainability report within management report is prepared in accordance with sustainability reporting standards referred to in Chapter 7 of the Accounting Act and with the Article 8 of Taxonomy Regulation

Karl Svozilik
Chairman of the Board

Ståle Angel
Member of the Board

Tuomas Sarkola
Member of the Board

Marika af Enehjelm
Member of the Board

Svein Olav Stølen
Member of the Board

Stéphane Bonvin
Member of the Board

Ville Rantala
CEO

Auditor's note

A report on the audit performed has been issued today.

Authorised Public Accountants
KPMG Oy Ab

Turo Koila
Authorised Public Accountant

This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

Auditor's Report

To the Annual General Meeting of PHM Group Holding Oyj

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of PHM Group Holding Oyj (business identity code 3123811-8) for the year ended 31 December 2024. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 2.2 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Revenue recognition – Accounting principles of the consolidated financial statements and note 2.1	

- Completeness and accuracy of revenue recognition is a key audit matter due to the following reasons:
  - Sales are generated by individual services rendered in multiple locations.
  - The volume of sales transactions is high and the group uses several pricing- and contract models.
	- We have evaluated the group's revenue recognition and accounting practises in relation to the principles specified in IFRS.
	- We have tested the operating effectiveness of the key internal controls ensuring the completeness and accuracy of revenue recognition.
	- In addition, we have performed substantive audit procedures over the completeness, accuracy and cut-off of revenue recognition and evaluated the appropriate presentation of the notes to the consolidated financial statements.

Valuation of goodwill and intangible assets related to acquisitions (Accounting principles and note 3.1 and 3.2 to the consolidated financial statements)	
- At the end of financial year 2024 the goodwill and intangible assets were together EUR 1 187 million represents a significant part, 75 %, of the consolidated balance sheet total. - Goodwill is tested for impairment annually and whenever there is any indication that the goodwill may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is determined based on value in use. The preparation of goodwill impairment testing requires estimates be made about the future. Management estimates and associated critical uncertainties relate to the components of the calculation of recoverable amount, which include the discount rate, terminal growth rate, and the development of net sales and operating profit, including cost levels for the company. - The intangible assets mainly consist intangible assets identified in connection the acquisitions. - Due to the significance of the carrying amount and significant management judgments involved in the forecasts, valuation of goodwill is considered a key audit matter.	- We critically assessed the management fundamentals and assumptions underlying the cash flow projections for the coming years. - We utilised our own valuation specialists that assessed the appropriateness of the discount rate, the technical accuracy of the calculations and the assumptions used in relation to market and industry information. - In addition, we considered the appropriate presentation of the disclosures on goodwill impairment testing in the financial statements.

We have not identified key audit matters relating to the parent company's financial statements.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting in 2020, and our appointment represents a total period of uninterrupted engagement of 5 years.

PHM Group Holding Oyj has been a public interest entity since 9.6.2022.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements or our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 29 April 2025

KPMG OY AB
Turo Koila
Authorised Public Accountant, KHT

Assurance report on the sustainability statement (Translation of the Finnish Original)

To the Annual General Meeting of PHM Group Holding Oyj

We have performed a limited assurance engagement on the group sustainability statement of PHM Group Holding Oyj (3123811-8) that is referred to in Chapter 7 of the Accounting Act and that is included in the Board of Directors' Report for the financial year 1 January—31 December 2024.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability statement does not comply, in all material respects, with

1) the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS);

2) the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which PHM Group Holding Oyj has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment) and the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act.

Our opinion does not cover the tagging of the group sustainability statement with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that provision in the absence of the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the group sustainability statement as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information.*

Our responsibilities under this standard are further described in the *Responsibilities of the Authorized Group Sustainability Auditor* section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We draw attention to the fact that the group sustainability statement of PHM Group Holding Oyj that is referred to in Chapter 7 of the Accounting Act has been prepared and assurance has been provided for it for the first time for the financial year 1 January—31 December 2024. Our opinion does not cover the comparative information that has been presented in the group sustainability statement. Our opinion is not modified in respect of this matter.

Authorized Group Sustainability Auditor's Independence and Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The authorized group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the authorized sustainability audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors and the CEO

The Board of Directors and the CEO of PHM Group Holding Oyj are responsible for:

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified;

- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;

- such internal control as the Board of Directors and the CEO determine is necessary to enable the preparation of a group sustainability statement that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Sustainability Statement

The preparation of the sustainability statement requires a materiality assessment from the company in order to identify relevant disclosures. This significantly involves management judgment and choices. Sustainability reporting is also characterized by estimates and assumptions, as well as measurement and estimation uncertainty.

In addition, when reporting forward-looking information, the company must make assumptions about possible future events and disclose the company's possible future actions in relation to these events. The actual outcome may be different because predicted events do not always occur as expected.

Responsibilities of the Authorized Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability statement.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability statement, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included e.g. the following:

- We have interviewed the company's management and the persons responsible for collecting and reporting the information included in the group sustainability statement.
- Through interviews, we obtained an understanding of the sustainability reporting process and the related internal controls and information systems.

- We familiarised ourselves with the background documentation and records prepared by the company where applicable, and assessed whether they support the information contained in the group sustainability statement.

- We assessed the implementation of the company's double materiality assessment process against the requirements of ESRS standards and the compliance of the information provided for the double materiality assessment with ESRS standards.

- We assessed whether the group sustainability statement in material respect meets the requirements of ESRS standards for material sustainability topics.

- We obtained an understanding of the process by which a company has defined taxonomy-eligible and taxonomy-aligned economic activities and evaluated the regulatory compliance of the information provided.

Helsinki, 29 April 2025

BDO Oy,
Authorized Sustainability Audit Firm

Laura Castrén
Authorized Sustainability Auditor

phm

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