



Interim Report January - September 2024

Kreate Group Plc

KREATE
THE FUTURE IS BUILT TODAY

KREATE'S INTERIM REPORT: PROFITABILITY HAS IMPROVED FOUR QUARTERS IN A ROW – REVENUE DECREASED

Kreate Group Plc, interim report for January - September 2024, 25 Oct 2024 at 8:30 am

July - September in brief

- Order backlog amounted to EUR 153.1 (221.8) million, a decrease of 31.0%
- Revenue decreased compared to the reference period, amounting to EUR 77.6 (88.3) million
- The year-on-year change in revenue was -12.1% (20.4%)
- EBITDA was EUR 4.7 (4.0) million, amounting to 6.1 (4.6) per cent of revenue
- EBITA increased and was EUR 3.1 (2.9) million, amounting to 4.0 (3.3) per cent of revenue
- Earnings per share were EUR 0.20 (0.16)
- Free cash flow from operating activities was EUR 5.9 (8.0) million
- Interest-bearing net debt was EUR 28.5 (32.9) million
- Result guidance unchanged: Kreate estimates that its revenue in 2024 will decline and be in the range of EUR 270–300 million (2023: EUR 320.0 million) and EBITA will increase and be in the range of EUR 8–11 million (2023: EUR 7.8 million).

January - September in brief

- Revenue decreased compared to the reference period, amounting to EUR 200.0 (239.8) million
- The year-on-year change in revenue was -16.6% (25.7%)
- EBITDA was EUR 10.4 (9.1) million, amounting to 5.2 (3.8) per cent of revenue
- EBITA was EUR 6.0 (5.1) million, amounting to 3.0 (2.1) per cent of revenue
- Earnings per share were EUR 0.30 (0.26)
- Free cash flow from operating activities was EUR -3.6 (6.4) million

The operating environment of infrastructure construction in brief

- The end of the year and next year are expected to be difficult for the construction industry as a whole.
- As a whole, the infrastructure sector is expected to turn to volume growth of 2 per cent next year.
- Cost development stable, certain construction costs even falling
- In the short term, the infrastructure market will be weighed down by delays in the timing of public projects, the subdued development of Finland's national economy and interest rates. The impacts are related to the investment decisions of large private operators as well as consumer confidence and thus housing construction.
- The long-term outlook for infrastructure is very bright: Urbanisation, the shift of traffic to rails and the green transition support business development, as well as perspectives related to safety and security of supply.
- Kreate's direct dependence on housing construction is low, but the entry into the infrastructure market of operators with housing construction infrastructure has intensified competition, especially in less demanding and smaller infrastructure projects.

- Kreate's market outlook of less than 6 months in Finland neutral in the suitable market, market outlook over 6 months strong
- Kreate's market outlook of less than 6 months and over 6 months in Sweden is strong in a suitable market

President & CEO Timo Vikström:

"In the third quarter of 2024, we continued on the path of sustainable profitability – our EBITA profitability increased for the fourth time in a row compared to the comparison period, which means that there is improvement despite declining revenue for a year already. EBITA profitability for the quarter was 4 percent of revenue. The third quarter also showed that Kreate's business is firmly on track in the coming years – literally. The consortium of Kreate and GRK won the tender for the eastern part of the Vantaa tram, which is yet another proof of our ability to win large projects and our position as a desired partner in the industry.



Business growth in Sweden is also proceeding according to plan. During the review period, we won the first ever earthworks contract in Sweden, and at the end of the review period, we also expanded to another new type of construction with a foundation construction team in Gothenburg. All in all, the implementation of the strategy is progressing purposefully in both Sweden and Finland.

We are involved in three major rail projects under development: the Vantaa tramway, the Tampere passenger rail yard and the Koskela tram depot. Projects are entered in the order backlog when they move into the implementation phase and offer years of work from then on. Depending on the scope of implementation, the value of the projects is between EUR 300 million and EUR 400 million. In addition to actual track and rail expertise, the work carried out in the rail environment also combines other types of construction that are important to us, as they often include, for example, foundation construction, bridges, fairways and station infrastructure. The more challenging the site and the more types of construction, the more Kreate-looking the site is.

Demanding projects are also important to Kreate from the personnel's point of view. Kreate is known as a place where you can do challenging jobs and develop on your career path. We have highly skilled experts, and with the help of the winning projects, we will be able to continue to offer them meaningful projects and fulfil our goal of being the best place for the best experts in infrastructure.

Our order backlog at the end of the third quarter was EUR 153 million, down by almost 25 percent from the previous quarter. The order backlog does not include large rail projects that are still under development, which make the company's long-term order book outlook very strong.

In the short term, the decline in the order backlog partly reflects the company's strategic choice to emphasise selectivity, but it also indicates that the infrastructure market, which was seen as strong in the spring, did not develop in line with our expectations in the third quarter. Large state-owned rail projects have once again moved forward: The MAL agreements between municipalities and the state on land use and construction were completed late from their target schedule, and although they offer a significant additional volume to the infrastructure construction market, their impact will actually start to be visible as projects to be implemented during H2 2025 at the earliest. In addition, the intense activity in the private sector, especially related to the green transition, seen in the spring has been put on hold after the tender calculation phase. However, it is clear that when

public projects take off and when interest rates fall and private investors press a button, there is a lot to do for us and the entire infrastructure sector. The long-term outlook for the infrastructure sector is strong.

As a whole, our order backlog is on a good basis, and with large rail projects, we expect a long order backlog for the coming years. However, towards the end of the year, we begin to move to seasonally quieter winter time. In Finland, the short-term outlook for the market suitable for us has changed from good to neutral since the summer. We expect a positive market turnaround to start in the second half of 2025. In Sweden, the market outlook remains very good. All in all, the long-term outlook for the infrastructure sector is bright. Megatrends – urbanisation, shift of traffic to rail and green transition – support business development, as do perspectives related to safety and security of supply.

Our full-year 2024 revenue and EBITA guidance remains unchanged. Thank you to all employees for another operationally great quarter – I'm really proud of each and every one of our yellow-and-black professionals. This team is great to work with – focusing on the essentials and creating sustainable profitability."

Key figures

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Order backlog			153.1	221.8	196.3
Revenue	77.6	88.3	200.0	239.8	320.0
Year-on-year change in revenue, %	-12.1	20.4	-16.6	25.7	16.8
EBITDA	4.7	4.0	10.4	9.1	14.0
EBITDA, %	6.1	4.6	5.2	3.8	4.4
EBITA	3.1	2.9	6.0	5.1	7.8
EBITA, %	4.0	3.3	3.0	2.1	2.4
Operating profit	3.1	2.8	5.9	4.9	7.6
Operating profit, %	4.0	3.2	3.0	2.1	2.4
Result for the period	1.9	1.4	3.0	2.3	3.9
Capital employed			72.3	76.3	59.6
Return on capital employed, %			11.5	8.8	11.2
Return on equity, %			10.4	8.4	9.1
Net investments in operating activities	-1.2	-0.9	-4.0	-5.2	-5.9
Free cash flow from operating activities	5.9	8.0	-3.6	6.4	26.1
Net working capital			-2.1	2.8	-11.3
Net debt			28.5	32.9	16.8
Net debt/EBITDA, rolling 12 months			1.9	2.6	1.2
Equity ratio, %			32.1	30.0	31.8
Earnings per share, diluted, €	0.20	0.16	0.30	0.26	0.44
Earnings per share, undiluted, €	0.21	0.16	0.30	0.26	0.44
Personnel at the end of the period			520	494	472
Personnel on average	534	499	504	449	454

Result guidance for 2024 unchanged (published on 31 January 2024)

Kreate estimates that its revenue in 2024 will decline and be in the range of EUR 270–300 million (2023: EUR 320.0 million) and EBITA will increase and be in the range of EUR 8–11 million (2023: EUR 7.8 million).

Justifications: The company's guidance is based on the order backlog expected to be realised in 2024 at the turn of the year. The company sees Kreate's characteristic demanding infrastructure construction continuing as stable due to the countercyclical nature of the business. The company offers projects more selectively, which is expected to decrease revenue and improve profitability.

Kreate Group's financial reporting

Kreate Group Plc will publish its financial reports in 2025 as follows:

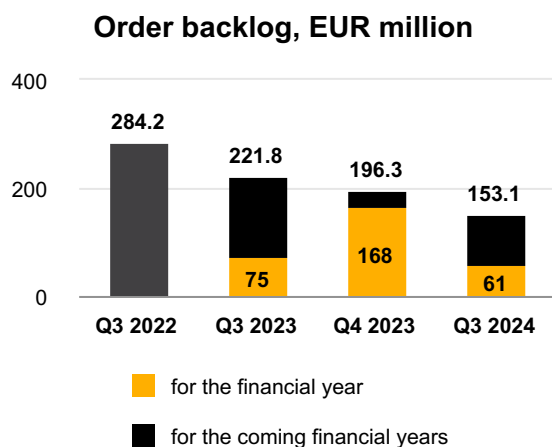
- 5 February 2025: Financial Statement Release for financial period ending on 31 December 2024
- 24 April 2025: Interim Report for January–March 2025
- 15 July 2025: Half Year Financial Report for January–June 2025
- 22 October 2025: Interim Report for January–September 2025

Kreate Group's Annual General Meeting is tentatively scheduled for Friday, March 28, 2025. Kreate Group's Board of Directors will give a separate notice of the Annual General Meeting.

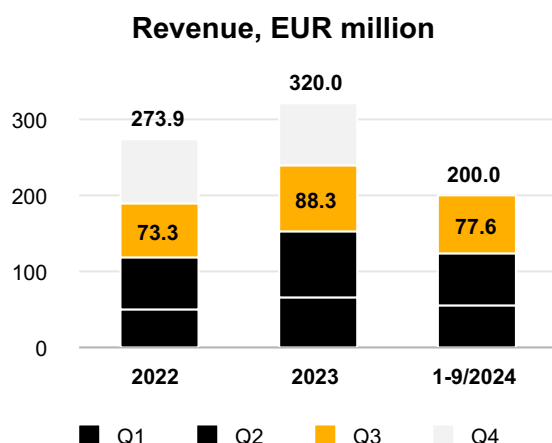
Webcast event

A live webcast open to all will be held today, 25 Oct 2024, at 11:00 a.m. The event will be held in Finnish. President & CEO Timo Vikström and CFO Mikko Laine will be presenting at the event. The webcast can be followed live in Finnish at <https://kreate.videosync.fi/q3-2024>. A recording of the webcast will be made available later at <https://kreate.fi/sijoittajille/raportit-ja-esitykset/> and a summary in English will become available at <https://kreate.fi/en/investor/reports/>.

Key figures

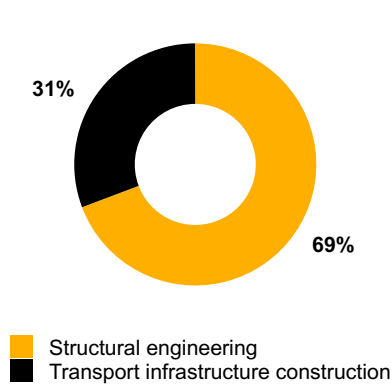


- **At the end of September 2024**, the order backlog decreased by 31.0 % from September 2023, amounting to EUR 153.1 (221.8) million. The order backlog decreased by 23.5% from the end of the previous quarter (EUR 200 million)
- It is estimated that EUR 61 (75) million of the order backlog will be realised during the financial year
- In the third quarter of 2024, EUR 17.7 million of projects were entered in the order backlog, including EUR 5 million projects in the Helsinki–Riihimäki railway project and in the construction of Kangasala's Lamminrahka area. In Sweden, we received about EUR 4 million contract related to the interior work of metro tunnels.
- The order backlog does not include projects in the development phase: the eastern part of the Vantaa tramway (appr. EUR 105 million), the Tampere passenger rail yard (appr. EUR 200 million) and the Koskela tram depot.



- **In July - September 2024**, revenue decreased by 12.1% year-on-year, amounting to 77.6 (88.3) million. Share of Kreate's Swedish business was EUR 10.1 (6.5) million with an increase of 51.5%
- **In January - September 2024**, revenue decreased by 16.6% year-on-year, amounting to EUR 200.0 (239.8) million. Share of Kreate's Swedish business was EUR 23.0 (16.0) million with an increase of 45.0%
- The number of large projects is lower than in the comparison period, the number of ongoing projects has been normal in January–September 2024

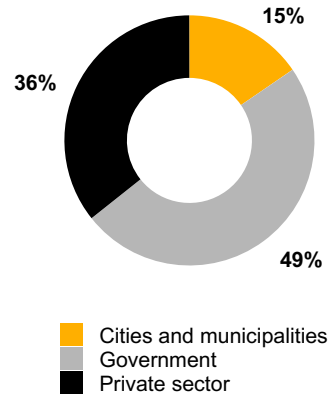
Revenue by business function 1-9/2024



1-9/2023: Structural engineering 79%,
Transport infrastructure construction 21%

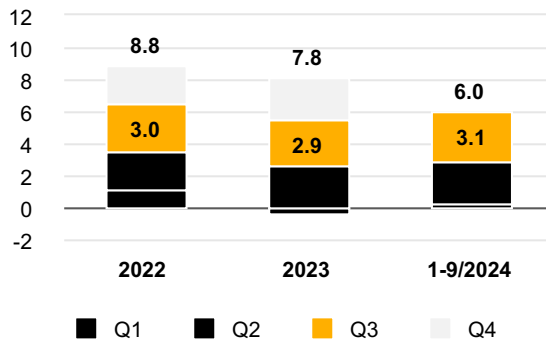
Transport infrastructure construction comprises Railway construction and Road and street construction. Structural engineering comprises of Bridge construction and repair as well as Foundation and engineering construction.

Revenue by customer group 1-9/2024



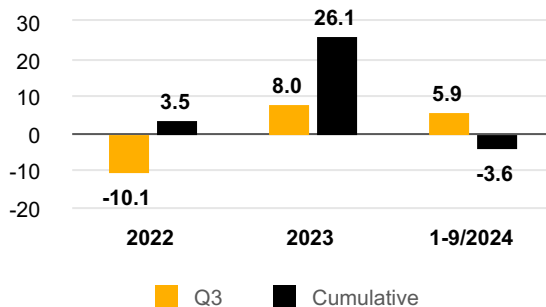
1-9/2023: Cities and municipalities 19%, Government 36%, Private sector 45%

EBITA, EUR million

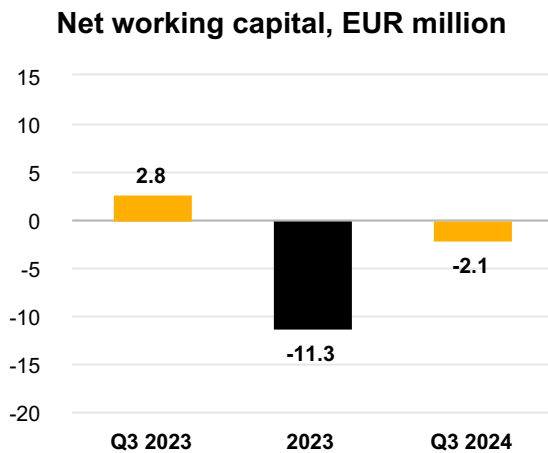


- **In July - September 2024**, EBITA grew year-on-year, amounting to EUR 3.1 (2.9) million
- **In January - September 2024**, EBITA grew to EUR 6.0 (5.1) million
- Kreate's flexible cost structure, selectivity of tendering operations and operations going as planned supported improved profitability despite lower revenue

Free cash flow from operating activities, EUR million



- **In July - September 2024**, free cash flow from operating activities was EUR 5.9 (8.0) million, of which net investments amounted to EUR 1.2 (0.9) million
- Operating free cash flow was supported by good net working capital development in the third quarter
- **In January - September 2024**, free cash flow from operating activities was EUR -3.6 (6.4) million, of which net investments amounted to EUR 4.0 (5.2) million



- **At the end of September 2024**, the company's net working capital was EUR -2.1 (2.8) million, which is in line with the company's long-term target to keep net working capital at approximately 0 level
- The company's good level of net working capital is supported by continuous and systematic work in project liquidity and risk management

Kreate's interim report for January - September

Operating environment in January - September 2024

In 2023, the total construction market in Finland was approximately EUR 38 billion, of which infrastructure accounted for approximately EUR 9 billion according to a broad interpretation. The value of civil engineering was EUR 7.1 billion, including EUR 5.1 billion in infrastructure investments and EUR 2.0 billion in infrastructure maintenance. The broad interpretation also includes, for example, the maintenance and groundwork of the outdoor areas of building construction. Kreate estimates that the suitable market for this entity is approximately EUR 5 billion in Finland.

In Sweden, the infrastructure construction market – i.e. the infrastructure market excluding infrastructure maintenance – is estimated to be approximately EUR 20 billion. Kreate estimates that the market suitable for it from this total is approximately EUR 1.5 billion (SEK 15 billion). The company aims to expand into new types of construction in Sweden during the strategy period 2024–2027. Roads and railways, bridge construction and concrete construction at the junctions of bridges and rock construction would offer a market ten times larger than traditional rock construction. At the end of May 2024, Kreate Sweden acquired the entire share capital of its associated company engaged in earthworks. Earthworks can operate both as an independent business or support other infrastructure construction in technically demanding projects.

In Finland and Sweden, the construction market weakened considerably during 2023 due to, among other things, high cost and interest rates. The market weakened clearly the most in residential construction, but the infrastructure market also declined. According to the business cycle report published by the construction industry in September 2024, the volume of infrastructure construction in Finland decreased by 7 per cent in 2023 and a decline of 2 per cent is expected in 2024. Volume growth of 2% is forecast for 2025, supported by geopolitics and the energy transition.

The steep decline in housing construction volumes has brought operators and competition to infrastructure construction, but to a lesser extent demanding infrastructure construction. There have been no new operators for demanding infrastructure projects, and competition is normal. Unlike in residential construction, the delay in winning infrastructure projects is typically very short and projects can be launched quickly if necessary. The downturn development of the operating environment has also led to bankruptcies of operators in the construction sector in the third quarter. Kreate estimates that bankruptcies are not a significant financial risk for the company.

Development in January-September

Russia's war of aggression in 2022 triggered a rapid rise in costs, which continued until early summer 2023. After this, the cost development calmed down, but input prices remained at a fairly high level. This year, construction costs have continued to rise slightly compared to the comparison period, until the rise stopped in July. In August, construction costs were at the comparison period's level, and in September costs decreased by 1.6% year-on-year. Overall, cost development is stable and certain costs have decreased. The year-on-year change in bridge construction subindex S was -1.5% in August.

In June 2024, Europe saw its first policy rate cut, the second in September and the third in October after the review period. The markets expect interest rate cuts to continue steadily until the end of next year. Interest rates are still at a high level compared to previous years, but the declining key interest rate is expected to support demand in the construction sector in the longer term, for example through increased housing sales and increased willingness to invest in industrial projects.

The investment survey published by the Confederation of Finnish Industries EK in June 2024 predicts that industrial investments will decrease by one per cent in 2024 compared to the previous year and total approximately EUR 9 billion. During January-August, new orders in manufacturing decreased by 6.1% year-on-year. Industrial construction investment is expected to decline by around 20 per cent in 2024. RT's economic outlook report states that major projects are being planned, but final decisions are pending. According to the Confederation of Finnish Industries' confidence indicator, confidence in construction is still at a low level. The balance figure describing confidence was -36 in September, while the long-term average is -8.

Market outlook

According to Kreate's estimate, the market outlook in the infrastructure market suitable for the company is neutral in Finland and strong in Sweden in the short term. In Finland, there is a temporal shift in the timing of government investments, and many projects are also on hold in the private sector. In the long term, the market outlook is strong in both Finland and Sweden.

In the public sector of infrastructure construction, transport and rail investments are particularly emphasised. In Finland, public demand will be supported in the coming years by, among other things, the state's EUR 3 billion transport investment programme and infrastructure investments required by NATO and the geopolitical situation.

Private demand, in turn, is supported by data centres and other green transition projects. The portal of the Confederation of Finnish Industries contains various investment plans of companies worth almost EUR 270 billion. Green transition projects are often multidimensional in nature and require a wide chain of actors from different production stages around them in order for the project to be worthwhile. As a result, there is a lot of uncertainty surrounding the throughput and timing of green transition projects. According to RT's business cycle review, green transition projects are estimated to be implemented at least EUR 100 billion between 2020 and 2050, although there are risks related to the transfer and end up in competitor countries.

In Sweden, the outlook is good for Kreate's essential rock and concrete construction market. Several metro lines, bypass roads with tunnels and other infrastructure involving demanding underground construction are planned for Stockholm and its surrounding areas. In Sweden, Kreate mainly operates as a subcontractor, in which case Kreate Sweden's direct customers are private, but the end customers are usually public customers.

Order backlog

The order backlog decreased by 31.0 % year-on-year, amounting to EUR 153.1 (221.8) million at the end of September 2024. From the end of previous quarter, the order backlog decreased by 23.5%. The order backlog is in line with the company's guidance and the expected profitability of the order backlog was at a normal level compared to before. In the third quarter of 2024, EUR 17.7 million of projects were entered in the order backlog, including EUR 5 million projects in the Helsinki–Riihimäki railway project and in the construction of Kangasala's Lamminrahka area. In Sweden, we received about EUR 4 million contract related to the interior work of metro tunnels. In addition, we won the tender for the eastern part of the Vantaa tram together with GRK during the review period, and Kreate will book its share of approximately EUR 105 million to the order backlog as the project moves from development phase to implementation. The order backlog also does not include other projects in the development phase: the Tampere passenger rail yard (approximately EUR 200 million) and the Koskela tram depot.

Revenue

The Group's revenue by business function

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Structural engineering ¹⁾	49.3	68.3	136.8	189.9	249.7
Transport infrastructure construction ²⁾	27.1	21.9	60.8	50.3	71.2
Other ³⁾	1.3	-1.9	2.4	-0.4	-0.9
Total	77.6	88.3	200.0	239.8	320.0

¹⁾ Includes, among others, foundation and engineering construction

²⁾ Includes, among others, railway, road and street construction

³⁾ Includes among others, circular economy and intra-group eliminations

July - September 2024

In July - September, the Group's revenue decreased compared to the reference period, amounting to EUR 77.6 (88.3) million. Year-on-year, revenue decreased in Structural engineering to EUR 49.3 (68.3) million and grew in Transport infrastructure construction to EUR 27.1 (21.9) million. The revenue from Sweden is included in the Structural engineering business area, and it was EUR 10.1 (6.5) million in July - September.

January - September 2024

In January - September, the Group's revenue decreased compared to the reference period, amounting to EUR 200.0 (239.8) million. Year-on-year, revenue decreased in Structural engineering to EUR 136.8 (189.9) million and grew in Transport infrastructure construction to EUR 60.8 (50.3) million. The revenue from Sweden is included in the Structural engineering business area, and it was EUR 23.0 (16.0) million.

In January - September, of the Group's total revenue, 15 (19) per cent came from cities and municipalities, 49 (36) per cent from the government and 36 (45) per cent from the private sector.

Profitability

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
EBITDA	4.7	4.0	10.4	9.1	14.0
EBITDA, %	6.1	4.6	5.2	3.8	4.4
EBITA	3.1	2.9	6.0	5.1	7.8
EBITA, %	4.0	3.3	3.0	2.1	2.4
Operating profit	3.1	2.8	5.9	4.9	7.6
Operating profit, %	4.0	3.2	3.0	2.1	2.4
Result for the period	1.9	1.4	3.0	2.3	3.9
Earnings per share, €	0.20	0.16	0.30	0.26	0.44

July - September 2024

In July - September, the Group's EBITDA was EUR 4.7 (4.0) million, amounting to 6.1 (4.6) per cent of revenue. EBITA was EUR 3.1 (2.9) million, amounting to 4.0 (3.3) per cent of revenue. The Group's operating profit was EUR 3.1 (2.8) million, amounting to 4.0 (3.2) per cent of revenue.

The Group's result before tax in July - September was EUR 2.4 (1.7) and tax for the period amounted to EUR 0.6 (0.3) million. Result for the period was EUR 1.9 (1.4) million and earnings per share were EUR 0.20 (0.16).

January - September 2024

In January - September, the Group's EBITDA was EUR 10.4 (9.1) million, amounting to 5.2 (3.8) per cent of revenue. EBITA was EUR 6.0 (5.1) million, amounting to 3.0 (2.1) per cent of revenue. The Group's operating profit was EUR 5.9 (4.9) million, amounting to 3.0 (2.1) per cent of revenue.

The Group's result before tax was EUR 3.9 (2.8). Tax for the reporting period amounted to EUR 1.0 (0.5) million, corresponding effective tax rate of 24.7% (17.3%). Result for the reporting period was EUR 3.0 (2.3) million, of which the share attributable to the owners of the parent amounts to EUR 2.6 (2.1) million. Earnings per share were EUR 0.30 (0.26).

The Group's cash flow, balance sheet and financial standing

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Free cash flow from operating activities	5.9	8.0	-3.6	6.4	26.1
Net working capital			-2.1	2.8	-11.3

Free cash flow from operating activities was EUR 5.9 (8.0) million in July - September. In January - September, free cash flow from operating activities was EUR -3.6 (6.4) million. During the reporting period, net working capital increased to EUR -2.1 million from EUR -11.3 million at the end of the 2023 financial year.

EUR million	9/2024	9/2023	12/2023
Interest-bearing debt	38.6	43.2	40.3
Cash and cash equivalents	10.2	10.4	23.6
Net debt	28.5	32.9	16.8
Equity	43.8	43.5	42.8
Equity ratio, %	32.1	30.0	31.8
Return on capital employed, %	11.5	8.8	11.2

At the end of September, interest-bearing debt amounted to EUR 38.6 (31 December 2023: 40.3) million, of which EUR 3.6 (31 December 2023: 3.0) million constituted lease liabilities under IFRS 16. The company's cash and cash equivalents amounted to EUR 10.2 (31 December 2023: 23.6) million. In addition, the company had committed revolving overdraft and credit facilities of EUR 20.0 (31 December 2023: 20.0) million, of which were not in use at the end of the reporting period (31 December 2023: 0.0). At the end of September interest-bearing net debt was EUR 28.5 (31 December 2023: 16.8) million.

In addition, Kreate has in place a domestic commercial papers programme worth EUR 50 million. Within the framework of this programme, the company may issue commercial papers with a maturity of less than one year. On 30.9.2024 the company had issued commercial papers totalling EUR 6.0 (31 December 2023: 7.0) million.

The average interest of interest-bearing debt, excluding lease liabilities recognised on the balance sheet, was 6.3 (5.3) per cent in January - September of the reporting period.

At the end of the reporting period, the consolidated balance sheet total was EUR 136.3 (31 December 2023: 134.6) million and equity was EUR 43.8 (31 December 2023: 42.8) million. At the end of the reporting period, equity ratio was 32.1 (31 December 2023: 31.8) per cent and the company's return on capital employed was 11.5 (31 December 2023: 11.2) per cent.

Investments

Net investment cash flow was EUR 1.2 (0.9) million in July - September and EUR 4.0 (5.2) million in January - September. The net investment amount for the comparative period was raised to an unusually high level due to the timing of significant projects initiated in late 2022, with investments being realized in the early months of 2023.

Kreate's gross investments in tangible and intangible assets amounted to EUR 4.7 (6.1) million in the reporting period.

Sustainability

Kreate's sustainability vision is that Kreate has satisfied and competent personnel who carry out even the most challenging infrastructure projects with strong professionalism and safety, building a better and more sustainable society every day. Kreate's responsibility themes and goals are strongly linked to personnel, minimising the negative impacts of construction, and sustainable solutions.

Development of quarterly sustainability targets

Building with passion		Q3 / 2024 (last twelve months, average)
Occupational safety and safety culture	▪	Combined accident frequency*: 10.8 (target level to be decided during 2024)
	▪	Occupational safety observations made in 23% of projects (target 100%)
	▪	Occupational safety observations per person: 5.4 (target minimum 6)
Responsible employer	▪	72 % of personnel trained in the company's Code of Conduct - target 100%
Reducing our footprint		Q3 / 2024
Tackling climate change	▪	CO ₂ emissions (FI) scope 1: 841 tn CO _{2e} , scope 2: 34 tn CO _{2e}
Increasing our handprint		Q3 / 2024 (last twelve months, average)
Sustainable and safe solutions	▪	Customer NPS: 76 (target > 50)
Infrastructure projects supporting megatrends	▪	Operations in the rail environment in Finland, share of revenue: 26% (target >15%)

*The combined accident frequency includes the lost-time accidents for both our own personnel and subcontractors at Kreate's worksites in proportion to the hours worked (million hours).

Personnel

At the end of September, Kreate Group employed 520 (494) persons. The average number of personnel in January - September was 504 (449).

As a result of the increase in the number of employees, the company will publish a sustainability statement for 2024 in accordance with the Corporate Sustainability Reporting Directive, which will be published in the company's Annual Review as part of the Report of the Board of Directors in March 2025.

Kreate's personnel has been systematically increased, especially in terms of the competence profile needed in the rail environment – this development continued during the review period. The company has succeeded well in recruiting experienced experts and growing future professionals through internships.

During the review period, a biennial workplace community survey was carried out, focusing on well-being at work and work ability. According to the results, our personnel's work ability and stress level are at a good level: on a scale of 1–5, the personnel's stress level is 2.43 and their work ability is 8.42. The results of the workplace community survey are reviewed at the management team, unit and team level, and the necessary action plans are made based on them. Based on the results, the overall focus of development will continue to be on employee well-being, work ability and recovery. In addition, we focus on strengthening our culture of giving feedback and addressing problem situations. 74% of the personnel responded to the survey.

During the review period, several events supporting well-being at work and community spirit were organised, from golf to cycling and sauna bathing. In addition, the personnel had the opportunity to participate in a webinar related to exercise and recovery, as well as an InBody measurement.

The strong and diverse competence of the personnel and development at work are important themes for Kreate. Development discussions are held in the first half of the year and development plans are drawn up for white-collar employees, and follow-up discussions are held in the second half of the year. During the review period, follow-up discussions in accordance with the annual clock were initiated and will continue in the last quarter of the year. Development and follow-up

discussions play a key role in the development of our personnel. They support performance management and monitor competence development and goals, which are compared to the company's strategic goals. Competence development and high-quality appraisals also strengthen good employee experience and commitment to the company.

The training offering was maintained at a high level, and the personnel actively utilised the contact, distance and online training opportunities of KreateAcademy, which was designed to develop strategic competence needs. The purpose of the comprehensive training offering is to ensure the development of personnel and their qualifications, to put the company's operating methods and goals into practice, and to ensure good performance at work. The How to act ethically right online course, published at the end of 2023, was completed by 72% of employees at the end of the third quarter.

Occupational safety

In July-September, there were a total of 8 lost-time accidents in our projects, 17 in January-September and a total of 23 lost-time injuries during the past 12 months. The 12-month rolling combined accident frequency rate relative to hours worked was 10.8. The combined accident frequency includes all lost-time injuries to employees and subcontractors at Kreate's construction sites.

At the end of September, a total of 2,641 occupational safety observations had been recorded in the company's systems during the previous 12 months. Occupational safety was emphasised in August with the company's Walkways in Condition activation campaign and in September by paying attention to lighting and the visibility of those working on the site. During the past 12 months, 5.4 observations per person were recorded, approaching Kreate's minimum target level of 6 observations per person. Occupational safety observations had been recorded in the company's systems for approximately one in four projects, and the company's target is 100%. In some projects, we act as a subcontractor, in which case observations are recorded in the manner defined by the main contractor, while in some projects it has been customary to record the observations in the site protocol, for example. The purpose of quarterly reporting is to promote common practices and bring additional visibility to accidents, near misses and best practices at the company level. Safety observations play a key role in developing safe working methods and improving safety culture.

Greenhouse gas emissions

During the review period, Kreate set the first climate targets in the company's history. The company aims to reduce scope 1 and 2 greenhouse gas emissions by 50% relative to net sales by 2030 compared to 2023 levels and to be climate neutral by 2045. With regard to Scope 3 emissions, the company commits to promoting the reduction of these emissions in cooperation with customers and other stakeholders.

During the third quarter of 2024, the scope 1 emissions of our Finnish business were 841 tn CO₂e and scope 2 emissions 34 tn CO₂e. A lot of materials, such as iron and concrete, are used in construction, as a result of which carbon dioxide emissions consist almost exclusively of scope 3 emissions. For the time being, we report scope 3 carbon dioxide emissions annually. In 2023, scope 3 emissions accounted for 99% of total carbon dioxide emissions. We will continue to develop our emissions calculations to include emissions from our Swedish business, among other things.

Development of other sustainability targets

We implement sustainable and safe solutions by listening to the customer and with an upright attitude. We monitor our customer satisfaction with the Subscriber NPS indicator, which we have set as a target level of 50. At the end of September 2024, the 12-month rolling Subscriber NPS was 76.

At the end of September, business operations in the Finnish rail environment accounted for 26% of the net sales of Finnish businesses during the previous 12 months, exceeding the target of 15%.

More information on other sustainability targets reported annually can be found in our [Annual Review 2023](#).

Company management

During the review period, the following changes took place in the composition of the Management Team. Sami Laakso moved from the role of Director of Transport Infrastructure Construction to Chief Operating Officer on 1 August 2024, continuing as a member of Kreate Group's Management Team. Juha Schönberg, who had previously served as Kreate's Construction Manager, started as the new Director of the Transport Infrastructure Construction unit and a member of Kreate Group's Management Team on 1 August 2024. Antti Kakko, Director of Bridge Construction and Repair, left his position in the company and Kreate Group's Management Team on 26 August 2024. Antti Kokkonen, the new Director of the Bridge Construction and Repair Unit and a member of Kreate Group's Management Team, started on 27 August 2024 as Kreate's Accounting Manager.

As of 30 September 2024, Kreate's Management Team included the following people: Timo Vikström, President & CEO; Tommi Hakanen, Vice President, Special Foundation Construction; Jaakko Kivi, Vice President, Technical Office; Antti Kokkonen, Vice President, Bridge Construction and Repair; Sami Laakso, Chief Operating Officer; Mikko Laine, Chief Financial Officer; Timo Leppänen, Vice President, Railway Construction; Katja Pussinen, Vice President, HR and Juha Schönberg, Vice President, Transport Infrastructure Construction.

Short-term risks and risk management

Kreate Group's risk management aims at continuous and systematic identification of the most significant risk factors and their optimal management such that the company's strategic and financial targets are reached. Kreate employs a risk management policy that guides the management of the overall risk exposure. Risk management is integrated into the Group's management, monitoring and reporting systems. Risk management covers the identification and assessment of risks as well as contingency plans for all the main risk categories.

The company classifies risks into strategic, operational, accident risks and financial risks. Detailed descriptions of risks, their impacts and risk management practices are available in Kreate Group Plc's [Annual Review 2023](#). These risks still apply.

Shares and trading

Treasury shares

Kreate did not purchase any treasury shares in the reporting period. On 30 September 2024, Kreate Group Plc held 90 000 shares as treasury shares.

In addition, the company has signed a contract with an external service provider on the management of the performance share plan and share bonus plan aimed at key persons. On 30 September 2024, the number of these shares reported on the consolidated balance sheet as treasury shares was 135,406 pieces, of which 6900 pcs are acquired in reporting period. This number of shares represented 1.5 per cent of all the shares and voting rights in the company. These shares are the property of EAI Kreate Holding Oy until the shares are transferred to the participants according to the incentive plans. EAI Kreate Holding Oy is legally owned by an external service provider but, based on a contract, Kreate exercises actual control in the arrangement and, therefore, the holding company is consolidated into the group's IFRS figures as a structured entity, where treasury shares are reported in total of 225,406 shares.

Trading in the company's shares

Kreate Group Plc's share capital at the end of September was EUR 80,000. The total number of outstanding shares in the company on 30 September 2024 was 8,984,772 shares, of which the company held 90,000 shares as treasury shares.

486,990 of Kreate's shares were traded on the Helsinki Stock Exchange in January - September. The highest trading price was EUR 8.36, and the lowest price was EUR 7.22. The volume weighted average price of Kreate's shares during the reporting period was EUR 7.80.

The share's closing price on the last trading day of the reporting period, 30 September 2024 was EUR 8.36. Based on the closing price of the reporting period, the market value of the company's shares, excluding the treasury shares reported on the consolidated balance sheet (225,406), was EUR 73.2 million.

Annual General Meeting

Kreate Group Plc's Annual General Meeting was held on 25 March 2024 at the Sanoma House in Helsinki. Decisions taken by the Annual General Meeting can be found in a separate [release](#).

Event after the reporting period

The company paid the second instalment of a dividend of EUR 0.18 per share in accordance with the decision of the Annual General Meeting. The payment date for the second instalment of the dividend was 3 October 2024.

Tuusula, 24 October 2024

Kreate Group Plc

Board of Directors

Notes

Calculation formulas for key figures

Tables for the January - September 2024 Interim Report

Key figures by quarter

EUR million	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	Q4/22	Q3/22
Order backlog	153.1	200.1	183.6	196.3	221.8	264.9	265.7	306.9	284.2
Revenue	77.6	68.0	54.4	80.2	88.3	85.7	65.8	83.1	73.3
Change in revenue, %	14.2	24.9	-32.2	-9.1	3.0	30.2	-20.8	13.3	9.5
EBITDA	4.7	4.0	1.6	4.9	4.0	4.0	1.0	3.8	4.2
EBITDA, %	6.1	5.9	3.0	6.1	4.6	4.7	1.5	4.5	5.7
EBITA	3.1	2.6	0.3	2.7	2.9	2.6	-0.4	2.3	3.0
EBITA, %	4.0	3.8	0.5	3.4	3.3	3.0	-0.6	2.8	4.1
Operating profit	3.1	2.6	0.2	2.6	2.8	2.5	-0.4	2.3	2.9
Operating profit, %	4.0	3.8	0.4	3.3	3.2	2.9	-0.7	2.7	4.0
Result for the period	1.9	1.6	-0.6	1.6	1.4	1.5	-0.7	1.3	2.1
Capital employed	72.3	73.4	63.5	59.6	76.3	80.8	79.9	75.9	88.0
Return on capital employed, %	11.5	10.8	11.5	11.2	8.8	9.8	9.9	12.5	12.1
Return on equity, %	10.4	9.8	9.4	9.1	8.4	10.4	10.3	13.5	17.1
Net investments in operating activities	-1.2	-1.7	-1.0	-0.7	-0.9	-1.1	-3.2	-0.5	-0.8
Free cash flow from operating activities	5.9	-6.5	-3.1	19.7	8.0	1.7	-3.3	15.2	-10.1
Net working capital	-2.1	1.0	-7.0	-11.3	2.8	6.9	5.6	4.7	17.0
Net debt	28.5	31.7	20.9	16.8	32.9	39.1	38.0	33.4	46.8
Net debt/EBITDA, rolling 12 months	1.9	2.2	1.4	1.2	2.6	3.0	3.0	2.5	3.4
Equity ratio, %	32.1	31.9	34.9	31.8	30.0	28.2	32.1	31.6	29.7
Earnings per share, €	0.20	0.16	-0.07	0.18	0.16	0.17	-0.08	0.14	0.23
Personnel at the end of the period	520	512	445	472	494	504	455	447	450
Personnel on average	534	496	447	475	499	460	453	449	428

Additional information on alternative performance measures

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Outstanding shares on average, diluted (1,000 pcs)	8,895	8,895	8,895	8,895	8,895
Outstanding shares on average, undiluted (1,000 pcs)	8,766	8,841	8,766	8,841	8,838
Amortisations from intangible assets	-0.0	-0.0	-0.1	-0.1	-0.2

EUR million	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	Q4/22	Q3/22
Outstanding shares on average, diluted (1,000 pcs)	8,895	8,895	8,895	8,895	8,895	8,895	8,895	8,895	8,895
Outstanding shares on average, undiluted (1,000 pcs)	8,766	8,766	8,766	8,827	8,841	8,841	8,841	8,841	8,841
Amortisations from intangible assets	-0.0	-0.0	-0.1	-0.0	-0.0	-0.0	-0.1	-0.0	-0.1

Calculation formulas for key figures

Kreate publishes alternative performance measures to describe the profitability of its business and the financial standing of the Group. The alternative performance measures are not defined or specified in IFRS and they should not be viewed in isolation or as a substitute to the IFRS-compliant key figures. The calculation formulas for the alternative performance measures are presented below.

PERFORMANCE MEASURE	CALCULATION FORMULA
IFRS-compliant key figures	
Earnings per share	$\frac{\text{Result for the period attributable to the owners of the parent – interest and expenses of the equity loan recorded on the period adjusted with a tax impact}}{\text{Weighted average number of outstanding shares during the period}}$
Alternative performance measures	
EBITDA	Operating profit + depreciation, amortisation and impairment
EBITA	Operating profit + amortisation of intangible assets + impairments
Order backlog	Amount of unrecognised revenue from customer contracts at the end of period
Capital employed	Equity + net debt
Return on capital employed, %	$\frac{\text{Operating profit, rolling 12 months}}{\text{Average capital employed}} \times 100$
Return on equity, %	$\frac{\text{Result for the period, rolling 12 months}}{\text{Average equity}} \times 100$
Net investments in operating activities	Investments in tangible and intangible assets – disposals of tangible and intangible assets
Free cash flow operating activities	Cash flow from operations before financial items and taxes + net investments in operating activities
Net working capital	Inventories + (current trade and other receivables – loan receivables – interest receivables) – (current trade and other payables – interest liabilities)
Net debt	Interest-bearing debt – cash and cash equivalents
Net debt/EBITDA	$\frac{\text{Net debt}}{\text{EBITDA, rolling 12 months}}$
Equity ratio, %	$\frac{\text{Equity}}{\text{(Balance sheet total – prepayments received)}} \times 100$

Interim Report for January - September 2024: Table section

Consolidated statement of income

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Revenue	77.6	88.3	200.0	239.8	320.0
Other operating income	0.4	0.2	0.9	0.6	0.9
Materials and services	-59.2	-69.6	-147.7	-191.3	-251.1
Employee benefit expenses	-11.0	-11.5	-32.0	-29.7	-42.7
Other operating expenses	-3.6	-3.4	-10.6	-10.7	-13.7
Share of associates' and joint ventures' profit or loss	0.4	0.2	-0.1	0.4	0.5
Depreciation, amortisation and impairment	-1.6	-1.2	-4.5	-4.2	-6.4
Operating profit	3.1	2.8	5.9	4.9	7.6
Financial income	0.0	0.0	0.2	0.0	0.0
Financial expenses	-0.7	-1.1	-2.1	-2.2	-3.0
Financial income and expenses	-0.7	-1.1	-2.0	-2.2	-2.9
Result before taxes	2.4	1.7	3.9	2.8	4.6
Income taxes	-0.6	-0.3	-1.0	-0.5	-0.7
Result for the period	1.9	1.4	3.0	2.3	3.9
Profit attributable to:					
Shareholders of parent	1.8	1.3	2.6	2.1	3.7
Non-controlling interests	0.1	0.1	0.3	0.1	0.2
Earnings per share calculated from the income					
Undiluted, €	0.21	0.16	0.30	0.26	0.44
Diluted, €	0.20	0.16	0.30	0.26	0.44
Consolidated statement of comprehensive					
Result for the period	1.9	1.4	3.0	2.3	3.9
Items that may be reclassified subsequently to the statement of income:					
Foreign exchange rate differences	0.0	0.0	0.0	0.0	0.0
Total comprehensive income for the period	1.9	1.4	3.0	2.3	3.9
Comprehensive income attributable to:					
Shareholders of parent	1.9	1.3	2.7	2.2	3.7
Non-controlling interests	0.1	0.1	0.3	0.2	0.2

Consolidated balance sheet

EUR million	9/2024	12/2023	9/2023
ASSETS			
Non-current assets			
Intangible assets	0.4	0.5	0.5
Goodwill	40.4	40.0	39.8
Tangible assets	21.6	20.4	21.3
Right-of-use assets	3.5	2.9	2.8
Investments in associated companies and joint ventures	10.0	10.5	10.4
Other receivables	0.3	0.3	0.2
Deferred tax assets	1.0	1.0	1.6
Total non-current assets	77.3	75.7	76.7
Current assets			
Trade and other receivables	48.5	34.6	57.9
Income tax receivables	0.4	0.7	0.2
Cash and cash equivalents	10.2	23.6	10.4
Total current assets	59.0	58.9	68.5
Total assets	136.3	134.6	145.2
EQUITY			
Equity attributable to the shareholders of the parent			
Share capital	0.1	0.1	0.1
Reserve for invested unrestricted equity	19.7	19.7	19.7
Treasury shares	-1.1	-1.0	-0.5
Foreign exchange rate differences	0.1	0.0	0.0
Retained earnings	24.7	24.0	24.2
Total equity attributable to the shareholders of the parent	43.4	42.8	43.5
Share of non-controlling interests	0.4	0.1	0.0
TOTAL EQUITY	43.8	42.8	43.5
LIABILITIES			
Non-current liabilities			
Interest-bearing debt	28.3	29.4	30.9
Deferred tax liabilities	1.4	1.5	1.4
Total non-current liabilities	29.8	30.9	32.3
Current liabilities			
Interest-bearing debt	10.3	11.0	12.3
Trade payables and other liabilities	50.9	46.8	55.4
Income tax liabilities	0.1	0.0	0.2
Provisions	1.4	3.1	1.5
Total current liabilities	62.7	60.9	69.4
Total liabilities	92.5	91.7	101.7
Total equity and liabilities	136.3	134.6	145.2

Consolidated cash flow statement

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Result for the period	1.9	1.4	3.0	2.3	3.9
Depreciation, amortisation and impairment	1.6	1.2	4.5	4.2	6.4
Financial income and expenses	0.7	1.1	2.0	2.2	2.9
Income taxes	0.6	0.3	1.0	0.5	0.7
Other adjustments	-0.4	0.1	0.6	0.7	0.9
Total adjustments	2.4	2.7	8.0	7.4	11.0
Change in trade and other receivables	-1.4	3.9	-13.6	-8.1	15.2
Change in trade payables and other liabilities	4.6	0.8	4.6	10.4	0.7
Change in provisions	-0.3	0.0	-1.7	-0.4	1.2
Total change in working capital	2.9	4.7	-10.7	1.9	17.1
Cash flow from operations before financial items and taxes	7.2	8.8	0.3	11.6	31.9
Interest paid in operating activities	-0.2	-0.3	-0.4	-0.6	-0.8
Interest received in operating activities	0.0	0.0	0.2	0.0	0.0
Other financial items	-0.1	-0.1	-0.4	-0.4	-0.4
Dividends received from business	-	-	0.0	0.0	0.0
Taxes paid	-0.5	-0.6	-0.6	-1.1	-1.1
CASH FLOW FROM OPERATIONS	6.4	7.9	-1.0	9.5	29.6
Investments in tangible and intangible assets	-1.7	-1.1	-4.7	-6.1	-6.9
Disposals of tangible and intangible assets	0.5	0.2	0.8	1.0	1.0
Acquisition of the subsidiary less cash and cash equivalents on the date of acquisition	-	-	-0.4	-	-
CASH FLOW FROM INVESTING ACTIVITIES	-1.2	-0.9	-4.3	-5.2	-5.9
Acquisition of treasury shares	-0.1	-	-0.1	0.0	-0.5
Drawdown of non-current loans	0.3	0.1	1.4	0.3	0.3
Repayment of non-current loans	-0.2	-0.2	-0.4	-0.3	0.0
Drawdown of current loans	3.0	10.0	12.0	37.0	42.0
Repayment of current loans	-4.4	-15.3	-15.7	-36.6	-45.0
Repayment of lease liabilities	-0.4	0.0	-1.0	-0.5	-1.2
Interest and other loan expenses	-0.8	-0.8	-1.8	-1.2	-1.2
Dividends paid	-	-	-2.6	-2.0	-4.1
CASH FLOW FROM FINANCING ACTIVITIES	-2.6	-6.2	-8.1	-3.3	-9.6
CHANGE IN CASH AND CASH EQUIVALENTS	2.6	0.9	-13.4	1.0	14.2
Cash and cash equivalents at the beginning of the period	7.5	9.5	23.6	9.4	9.4
Change in cash and cash equivalents	2.6	0.9	-13.4	1.0	14.2
Impact of the changes in foreign exchange rates	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents at the end of the period	10.2	10.4	10.2	10.4	23.6

Consolidated statement of changes in equity

EUR million	Share capital	Reserve for invested unrestricted equity	Treasury shares	Foreign exchange rate differences	Retained earnings	Equity attributable to the shareholders of the parent	Share of non-controlling interests	Total equity
<i>Equity as at 1 January 2023</i>	0.1	19.7	-0.5	0.0	23.4	42.6	-0.1	42.5
<i>Items of comprehensive income</i>								
<i>Result for the period</i>	-	-	-	-	2.1	2.1	0.1	2.3
<i>Foreign exchange rate differences</i>	-	-	-	0.0	-	0.0	0.0	0.0
<i>Total comprehensive income</i>	-	-	-	0.0	2.1	2.2	0.2	2.3
<i>Transactions with the owners</i>								
<i>Dividend</i>	-	-	-	-	-2.0	-2.0	-	-2.0
<i>Share-based awards</i>	-	-	-	-	0.7	0.7	-	0.7
<i>Total transactions with the owners</i>	-	-	-	-	-1.3	-1.3	-	-1.3
<i>Equity as at 30 September 2023</i>	0.1	19.7	-0.5	0.0	24.2	43.5	0.0	43.5

EUR million	Share capital	Reserve for invested unrestricted equity	Treasury shares	Foreign exchange rate differences	Retained earnings	Equity attributable to the shareholders of the parent	Share of non-controlling interests	Total equity
<i>Equity as at 1 January 2024</i>	0.1	19.7	-1.0	0.0	24.0	42.8	0.1	42.8
<i>Items of comprehensive income</i>								
<i>Result for the period</i>	-	-	-	-	2.6	2.6	0.3	3.0
<i>Foreign exchange rate differences</i>	-	-	-	0.0	-	0.0	0.0	0.0
<i>Total comprehensive income</i>	-	-	-	0.0	2.6	2.7	0.3	3.0
<i>Transactions with the owners</i>								
<i>Acquisition of treasury shares</i>	-	-	-0.1	-	-	-0.1	-	-0.1
<i>Dividend</i>	-	-	-	-	-2.6	-2.6	-	-2.6
<i>Share-based awards</i>	-	-	-	-	0.7	0.7	-	0.7
<i>Total transactions with the owners</i>	-	-	-0.1	-	-2.0	-2.0	-	-2.0
<i>Equity as at 30 September 2024</i>	0.1	19.7	-1.1	0.1	24.7	43.4	0.4	43.8

EUR million	Share capital	Reserve for invested unrestricted equity	Treasury shares	Foreign exchange rate differences	Retained earnings	Equity attributable to the shareholders of the parent	Share of non-controlling interests	Total equity
<i>Equity as at 1 January 2023</i>	0.1	19.7	-0.5	0.0	23.4	42.6	-0.1	42.5
<i>Items of comprehensive income</i>								
<i>Result for the period</i>	-	-	-	-	3.7	3.7	0.2	3.9
<i>Foreign exchange rate differences</i>	-	-	-	0.0	-	0.0	0.0	0.0
<i>Total comprehensive income</i>	-	-	-	0.0	3.7	3.7	0.2	3.9
<i>Transactions with the owners</i>								
<i>Acquisition of treasury shares</i>	-	-	-0.5	-	-	-0.5	-	-0.5
<i>Dividend</i>	-	-	-	-	-4.1	-4.1	-	-4.1
<i>Share-based awards</i>	-	-	-	-	1.0	1.0	-	1.0
<i>Total transactions with the owners</i>	-	-	-0.5	-	-3.0	-3.6	-	-3.6
<i>Equity as at 31 December 2023</i>	0.1	19.7	-1.0	0.0	24.0	42.8	0.1	42.8

Notes

Key accounting principles and basis for preparation

The Group's Interim Report has been prepared in accordance with the IAS 34 Interim Report standard. The Interim Report should be read together with Kreate Group's consolidated financial statements for the financial year 2023.

The information presented in the Interim Report has not been audited.

The Interim Report has been prepared in euros and presented in millions of euros unless stated otherwise. The figures have been rounded to the nearest million with one decimal place and, therefore, the sums of individual figures may differ from the presented total amounts.

The Interim Report has been prepared in accordance with the key accounting principles presented in Kreate Group's consolidated financial statements for the financial year 2023, except for the revised IFRS standards that came into effect on 1 January 2024. The revised standards did not have an impact on the consolidated financial statements.

Kreate Sverige AB has on 28 May 2024 acquired the remaining share capital in Karell Schakt AB, in which the company already owned a 34% stake. Karell Shackt AB has merged with Kreate Sverige AB on 17 September 2024.

The preparation of a interim report according to the IFRS requires the management's discretion as well as using estimates and assumptions that affect the amount of assets and liabilities and the amount of income and expenses reported for the reporting period. Such estimates and assumptions by the management are based on previous experience and other justified factors.

Kreate Group has applied estimates and discretion in factors that create a significant risk of changes in the carrying amounts of assets and liabilities:

- Recognition of income from projects: The Group recognises sales income from project contracts over time. Recognition of sales income is based on the management's estimates on the sales income and expenses of projects as well as a comprehensive estimate of the progress and degree of completion of projects. The management estimates the probability of the income when determining the sales proceeds. Should estimates on a project's outcome change, the revenue recognition is adjusted in the reporting period when the change first became known.
- Recognition of provisions: At the end of the reporting period, the Group estimates if it has a probable payment obligation, whether legal or constructive, in the future. The Group recognises a provision for warranty upon the delivery of projects including a warranty obligation. The amount of the provision for a warranty is based on the Group management's historical information on the number of realised warranty provisions and their timing.
- Testing of goodwill for impairment: The Group has one cash-generating unit, Kreate Group, and it is the lowest level where goodwill is monitored. The Group carries out an impairment test annually, or if signs of impairment are detected. The Group has not detected signs of impairment in the reporting period.
- Leases: The management assesses the use of extension, termination or purchase options related to leases and the lease term of leases valid until further notice. In addition, the management estimates the amount of the discount rate for each right-of-use asset.
- Recognition of deferred tax assets: Deferred tax assets from the confirmed losses of the previous financial periods or undeducted interest liabilities of associated companies are recognised only if the management estimates that a sufficient amount of taxable income

can be generated in the future against which the unused taxation losses and undeducted interest liabilities of associated companies can be utilised.

- Share awards: Share awards are measured at fair value at the time of their issue and recognised on the income statement as expenses in equal tranches for the vesting period. The expense determined at the time of issue is based on the management's estimate of the number of shares, and the related vesting is assumed to occur at the end of the vesting period. The Group shall update the assumption on the final amount on each balance sheet date.

Segments

The company has one operating segment: Infrastructure Construction. The segment's business operations mainly consist of infrastructure construction projects. The Group's highest decision-makers, i.e. the Board of Directors and the President & CEO, monitor the entire Group together and verify that the figures for the segment match the Group's figures.

Revenue from customer contracts

Infrastructure construction projects in Finland and Sweden make up a significant part of Kreate Group's revenue from contracts with customers. Almost 90% of the Group's revenue is generated in Finland.

The Group's revenue is allocated between business functions as follows:

EUR million	1-9/2024	1-9/2023	1-12/2023
Structural engineering ¹⁾	136.8	189.9	249.7
Transport infrastructure construction ²⁾	60.8	50.3	71.2
Other ³⁾	2.4	-0.4	-0.9
Total	200.0	239.8	320.0

¹⁾ Includes, among others, foundation and engineering construction

²⁾ Includes, among others, railway, road and street construction

³⁾ Includes among others, circular economy and intra-group eliminations

The revenue from transport infrastructure construction has grown compared to the reference period. The share of structural engineering has fallen. Kreate's Swedish business is presented within Structural engineering.

The Group's revenue is allocated between customer groups as follows:

	1-9/2024	1-9/2023	1-12/2023
Cities and municipalities	15%	19%	18%
Government	49%	36%	40%
Private sector	36%	45%	42%

The seasonality of the infrastructure projects delivered by the company has an impact on the timing of the company's result and cash flows. The private sector share of the revenue has remained constant between the financial periods. The share of cities, municipalities and the government varies according to the ongoing projects.

Working capital

EUR million	9/2024	12/2023	9/2023
Trade receivables	26.1	19.2	33.3
Assets based on contracts with customers	20.8	14.8	22.5
Other receivables	0.1	0.2	1.2
Accrued income	1.4	0.4	1.0
Total trade and other receivables	48.5	34.6	57.9
Interest receivables	0.0	0.0	0.1
Accrued personnel costs	-	0.1	-
Other accrued income	1.4	0.3	1.0
Total accrued income	1.4	0.4	1.0
Advances received	-	0.0	0.0
Trade payables	18.3	14.0	23.0
Liabilities based on contracts with customers	15.3	12.3	13.2
Other liabilities	4.4	6.8	9.6
Accrued liabilities	12.8	13.6	9.6
Total trade payables and other liabilities	50.9	46.8	55.4
Interest liabilities	0.3	0.9	0.4
Accrued personnel costs	10.1	11.5	7.9
Other accrued liabilities	2.4	1.2	1.3
Total accrued liabilities	12.8	13.6	9.6

Financial assets and liabilities

EUR million	30 September 2024	Carrying amount	Fair value
Financial assets measured at amortised cost			
	Non-current receivables	0.3	0.3
	Non-current financial assets	0.3	0.3
	Trade and other receivables	26.2	26.2
	Current financial assets	26.2	26.2
	Cash and cash equivalents	10.2	10.2
	Total financial assets	36.7	36.7
Financial liabilities measured at amortised cost			
	Loans from financial institutions	24.6	24.7
	Hire purchase liabilities	1.6	1.6
	Lease liabilities	2.1	
	Non-current interest-bearing liabilities	28.3	
	Loans from financial institutions	2.6	2.6
	Commercial papers	6.0	6.0
	Hire purchase liabilities	0.2	0.2
	Lease liabilities	1.5	
	Current interest-bearing liabilities	10.3	
	Trade payables and other liabilities	22.7	22.7
	Other current financial liabilities	22.7	22.7
	Total financial liabilities	61.4	

EUR million	31 December 2023	Carrying amount	Fair value
Financial assets measured at amortised cost			
	Non-current receivables	0.3	0.3
	Non-current financial assets	0.3	0.3
	Trade and other receivables	19.4	19.4
	Current financial assets	19.4	19.4
	Cash and cash equivalents	23.6	23.6
	Total financial assets	43.2	43.2
Financial liabilities measured at amortised cost			
	Loans from financial institutions	27.2	27.3
	Hire purchase liabilities	0.3	0.3
	Lease liabilities	1.8	
	Non-current interest-bearing liabilities	29.4	
	Loans from financial institutions	2.6	2.6
	Commercial papers	7.0	7.0
	Hire purchase liabilities	0.2	0.2
	Lease liabilities	1.1	
	Current interest-bearing liabilities	11.0	
	Trade payables and other liabilities	20.8	20.8
	Other current financial liabilities	20.8	20.8
	Total financial liabilities	61.2	

Loans from financial institutions are classified to hierarchy level 2 of the fair value classification. The carrying amount of short-term trade receivables and liabilities is assumed to be the same as their fair value due to their nature.

The Group has only had financial assets and liabilities measured at amortised cost for the financial years 2024 and 2023.

Changes in tangible assets

EUR million	9/2024	12/2023	9/2023
Acquisition cost as at 1 January	36.9	34.2	34.2
Exchange rate differences	0.0	0.0	-0.1
Increases	4.7	6.9	6.1
Business acquisitions	0.9	-	-
Decreases	-1.5	-4.2	-2.2
Acquisition cost at the end of the period	41.0	36.9	38.0
Accrued depreciation, amortisation and impairment as at 1	-16.5	-14.2	-14.2
Exchange rate differences	0.0	0.0	0.0
Accrued amortisation on the decreases	0.8	2.8	1.0
Business acquisitions	-0.4	-	-
Amortisation for the period	-3.3	-5.0	-3.4
Accrued depreciation, amortisation and impairment at the end of the period	-19.4	-16.5	-16.7
Carrying amount at the end of the period	21.6	20.4	21.3

Changes in right-of-use assets

EUR million	9/2024	12/2023	9/2023
Acquisition cost as at 1 January	5.9	5.0	5.0
Exchange rate differences	0.0	0.0	0.0
Increases	1.7	1.4	0.6
Decreases	-0.7	-0.5	-0.3
Acquisition cost at the end of the period	6.8	5.9	5.3
Accrued depreciation, amortisation and impairment as at 1	-2.9	-2.2	-2.2
Exchange rate differences	0.0	0.0	0.0
Accrued amortisation on the decreases	0.7	0.4	0.2
Amortisation for the period	-1.0	-1.2	-0.6
Accrued depreciation, amortisation and impairment at the end of the period	-3.3	-2.9	-2.5
Carrying amount at the end of the period	3.5	2.9	2.8

Changes in intangible assets

EUR million	9/2024	12/2023	9/2023
Acquisition cost as at 1 January	5.2	5.2	5.2
Decreases	0.0	0.0	0.0
Acquisition cost at the end of the period	5.2	5.2	5.2
Accrued depreciation, amortisation and impairment as at 1	-4.7	-4.5	-4.5
Accrued amortisation on the decreases	0.0	0.0	0.0
Amortisation for the period	-0.1	-0.2	-0.1
Accrued depreciation, amortisation and impairment at the end of the period	-4.8	-4.7	-4.7
Carrying amount at the end of the period	0.4	0.5	0.5

Collateral and contingent liabilities

EUR million	9/2024	12/2023
Collateral given on behalf of joint project ventures	10.6	10.6
Guarantee liabilities from project contracts	43.5	46.2
Lease liabilities from short-term assets with a low value	1.0	1.2
VAT liability	0.2	0.2

Related-party transactions

The Group's related parties include the parent company, subsidiaries and the joint venture KFS Finland Oy. Karell Schakt Ab has been reported as an associate venture until the acquisition 28th of May 2024 after which it has been reported as a subsidiary, until the merger in September. Related parties also include key management personnel, their close family members and communities where these persons exercise direct or indirect control. Key management personnel include the members of the Board of Directors, President & CEO, Senior Vice President and the members of the Group's Management Team. The question of whether communities where shareholders or key management personnel exercise control are considered to be related parties is examined case-specifically taking into account the factual conditions.

EUR million	1-9/2024 income	Expenses	9/2024 Receivables	Liabilities
Associate and joint venture	16.7	-4.9	3.7	0.4

EUR million	1-12/2023 Income	Expenses	12/2023 Receivables	Liabilities
Associate and joint venture	2.7	-16.5	0.3	0.7

EUR million	1-9/2023 Income	Expenses	9/2023 Receivables	Liabilities
Associate and joint venture	2.1	-14.2	0.0	0.9

Events after the reporting period

The company paid the second instalment of the dividend, EUR 0.18 per share, in accordance with the decision of the general meeting. The payment date of the second instalment of the dividend was 3 October 2024.