

Financial Statement Bulletin January - December 2024

Kreate Group Plc



KREATE
THE FUTURE IS BUILT TODAY

KREATE'S FINANCIAL STATEMENT BULLETIN: STRONG YEAR - PROFITABILITY IMPROVED DESPITE REVENUE DECREASE

Kreate Group Plc, financial statement bulletin for January - December 2024, 5 Feb 2025 at 8:30 am

October - December in brief

- Order backlog amounted to EUR 176.6 (196.3) million, a decrease of 10.0%
- Revenue decreased compared to the reference period, amounting to EUR 75.5 (80.2) million
- The year-on-year change in revenue was -5.9% (-3.5%)
- EBITDA was EUR 4.9 (4.9) million, amounting to 6.5 (6.1) per cent of revenue
- EBITA increased and was EUR 2.8 (2.7) million, amounting to 3.7 (3.4) per cent of revenue
- Earnings per share were EUR 0.20 (0.18)
- Free cash flow from operating activities was EUR 3.9 (19.7) million
- Interest-bearing net debt was EUR 29.9 (16.8) million

January - December in brief

- Revenue decreased compared to the reference period, amounting to EUR 275.5 (320.0) million
- The year-on-year change in revenue was -13.9% (16.8%)
- EBITDA was EUR 15.3 (14.0) million, amounting to 5.5 (4.4) per cent of revenue
- EBITA was EUR 8.8 (7.8) million, amounting to 3.2 (2.4) per cent of revenue
- Earnings per share were EUR 0.49 (0.44)
- Free cash flow from operating activities was EUR 0.3 (26.1) million
- The Board of Directors proposes to the Annual General Meeting on 28 March 2025 that a dividend of EUR 0.50 per share be paid for shares held outside the company at the time of dividend distribution for 2024, which is EUR 0.02 more than previous year. The dividend will be paid in to equal instalments. The first instalment will be paid in April 2025 and the second instalment in October 2025.

The operating environment of infrastructure construction in brief

- Year 2025 is still expected to be a difficult year for the construction industry as a whole.
- The grounding of the infrastructure sector is estimated to be behind us: volume growth of 2 per cent is forecast for 2025.
- Cost development stable, certain construction costs even decreasing.
- In the short term, the development of the infrastructure market will be limited by the timing of public project start-ups in the second half of the year, the subdued development of Finland's national economy and the level of interest rates.
- The long-term outlook for infrastructure is very bright: the Government's investment programme focusing on transport routes, the investments required by the geopolitical situation and the green transition will support business development.
- Kreate's direct dependence on housing construction is low. The entry of housing infrastructure operators into the rest of the infrastructure market has intensified competition, especially in less demanding and smaller infrastructure projects.

- Kreate's market outlook in Finland neutral in the applicable market, strengthening towards the second half of the year
- Kreate's market outlook in Sweden strong in a suitable market

Result guidance for 2025

Kreate estimates that its revenue in 2025 will grow and be in the range of EUR 290–310 million (2024: EUR 275.5 million) and EBITA will increase and be in the range of EUR 9–11 million (2024: EUR 8.8 million).

Justifications: The company's guidance is based on the order backlog expected to be realised in 2025 at the turn of the year and the company's estimate of the likely transfer of projects under development to the order backlog starting from spring 2025. The company will continue to offer projects selectively and grow in the Swedish market, which is expected to improve profitability.

President & CEO Timo Vikström:

"2024 was a good year for Kreate – very good when compared to the very weak market development in the construction industry. We already knew going into 2024 that it was going to be a challenging year. We decided not to compete for volumes at any price, but to focus on improving our profitability. That we have done. We have increased EBITA for five quarters in a row. Our EBITA for 2024 increased compared to the previous year, both in relative and absolute terms, despite revenue decreasing by 14 percent. Our EBITA margin in 2024 was 3.2%, up by 0.8 percentage points from the previous year.



Improving profitability in a declining market, where competition has also been intensified by the increased presence of building construction infrastructure operators in other infrastructure construction, is a truly great achievement. The profitability development is based on a strong focus on operations, more precise selection of projects, effective risk management methods and the extremely high level of professionalism of the personnel. I'm really proud of our personnel.

In 2024, Kreate celebrated its 10th anniversary – the combined companies have 271 years of history. To celebrate the anniversary, we have highlighted our achievements, the heritage we have built. Also in 2024, we worked on more than 100 projects and built infrastructure that is significant for society. During the year, the railway yard work in Tornio, the groundwork for Helen's underground heating and cooling plant hall and the Poikkimaantie project to streamline traffic on the main fairway of the Port of Oulu were completed. We also completed the extensive groundwork for Kesko's logistics centre and the Nihti shore construction contract. Our large bridge projects – the Crown Bridges and the Hessundinsalmi and Kuusistonsalmi bridges – have also progressed according to schedule.

Kreate's outlook ahead is good. The beginning of 2025 will still be seasonally quiet, but the situation will improve. In 2024, we won several large projects, especially in the rail environment. Development phases are underway in both the Tampere passenger rail yard and the eastern part of the Vantaa tramway. The company's first tram project, the Koskela tram depot, entered the implementation phase in the last weeks of 2024. The Helsinki-Riihimäki project received additional project in summer 2024. All of these are large, multi-year projects that provide visibility and work for years to come. In addition to railway and tramway construction, the projects include foundation

construction, bridges, fairways and station infrastructure, and they are important to Kreate and our experts across unit boundaries.

In addition to the rail environment, growing the Swedish business is another of the company's strategic priorities. The Swedish business has grown exceptionally well in 2024, and we have succeeded in expanding from underground concrete and rock construction to earthworks and foundation work. Revenue from our Swedish operations in 2024 grew by almost 50% and the outlook in Sweden is bright for market suitable for us.

We have entered 2025 with cautious hope. We have been able to turn the company's profitability development in the right direction, and the outlook for future large projects is good. Our order backlog of EUR 177 million is lower than in the previous year, but it is forecast to increase as large projects currently under development are likely to be entered in the order backlog starting from spring 2025. Revenue and profit formation in 2025 are expected to focus on the second half of the year.

We have navigated the storms of 2020-2024 and now we are already seeing blue sky on the horizon. We have worked as a team and been able to turn the tide in the right direction. A warm thank you to the entire personnel for another partly tough but above all wonderful year. We can't do anything about the market, but we can influence our own actions and our focus. When the market starts to pick up, we will be in an excellent position to continue growing and improving profitability. I would also like to thank our shareholders and other partners for their trust."

Key figures

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Order backlog			176.6	196.3
Revenue	75.5	80.2	275.5	320.0
Year-on-year change in revenue, %	-5.9	-3.5	-13.9	16.8
EBITDA	4.9	4.9	15.3	14.0
EBITDA, %	6.5	6.1	5.5	4.4
EBITA	2.8	2.7	8.8	7.8
EBITA, %	3.7	3.4	3.2	2.4
Operating profit	2.8	2.6	8.7	7.6
Operating profit, %	3.7	3.3	3.2	2.4
Result for the period	1.6	1.6	4.6	3.9
Capital employed			73.4	59.6
Return on capital employed, %			13.1	11.2
Return on equity, %			10.7	9.1
Net investments in operating activities	2.4	-0.7	-1.5	-5.9
Free cash flow from operating activities	3.9	19.7	0.3	26.1
Net working capital			2.7	-11.3
Net debt			29.9	16.8
Net debt/EBITDA, rolling 12 months			2.0	1.2
Equity ratio, %			33.2	31.8
Earnings per share, diluted, €	0.20	0.18	0.49	0.44
Earnings per share, undiluted, €	0.20	0.18	0.50	0.44
Dividend per share, €			0.50*	0.48
Personnel at the end of the period			511	472
Personnel on average	517	475	507	454

*) Board of Directors' proposal to the Annual General Meeting

Strategy





We announced the updated strategy and new financial targets in spring 2024, when the operational targets of the previous strategy period had been achieved in advance. During the strategy period 2024–2027, we will focus especially on improving profitability, and the target is to achieve an EBITA margin of over 5%. Sustainable profitability is sought by, among other things, offering even more selectively, continuing to operate on a light balance sheet and excellent management of net working capital and cash flow. We also keep ourselves agile, our cost structure flexible and our risk management processes in order.

In addition to EBITA above 5%, Kreate targets annual revenue growth of 5–10% and a net debt/ EBITDA ratio below 2.5%. The dividend policy is still to distribute at least half of Kreate's annual net profit as dividends, taking into account Kreate's financial position, cash flows and growth opportunities. Kreate also has operational goals for the strategy period: to be the best place for the best infrastructure experts, the most desirable infrastructure partner, among the leading players in all business operations and agile in our processes.

The operational targets have guided our actions in 2024. Personnel and expertise have been increased through targeted recruitment, internships and learning and accumulating references in projects. Being among the leading players means that we strengthen our existing businesses. The focus is especially on Sweden and business operations in the rail environment. For Sweden, the target is to achieve revenue of more than SEK 650 million during the strategy period and to grow the Swedish business into another geographical pillar for the Group. In terms of the rail environment, the strategy progressed during 2024 with the victories of the Tampere passenger rail yard, the eastern part of the Vantaa tram and the Helsinki-Riihimäki contract, as well as the transition of the Koskela depot to the implementation phase.

The desired partnership is a source of pride for us, as evidenced by, among other things, the top figures in customer satisfaction (Customer NPS 82) and cooperation with GRK in the Vantaa tram project. Process agility is primarily related to risk management, selectivity, meticulousness in quotation calculations and the development of site processes.

>> Read more about the strategy on our [investor pages](#)

	TARGET	2024	STATUS
PROFITABILITY			
EBITA margin	>5%	3.2%	
GROWTH			
Revenue	Annual growth of 5-10% 2024 onwards	-13.9%	
INDEBTEDNESS			
Net debt/EBITDA	<2.5	2.0	
DIVIDEND POLICY	The objective is to distribute at least half of our annual net profit as dividends, taking into account our financial position, cash flow and growth potential.	100% (proposal for the AGM)	

Kreate Group's financial reporting

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

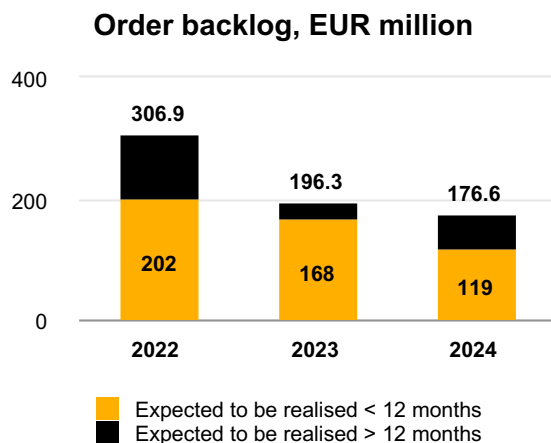
- 24 April 2025: Interim Report for January–March 2025
- 15 July 2025: Half Year Financial Report for January–June 2025
- 22 October 2025: Interim Report for January–September 2025

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.

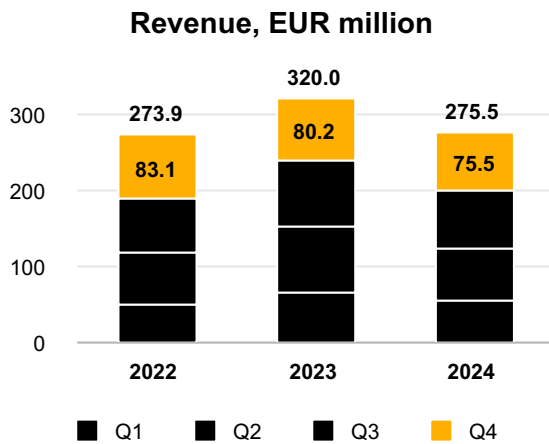
Webcast event

A live webcast open to all will be held today, 5 Feb 2025, 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.events.inderes.com/q4-2024>. 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

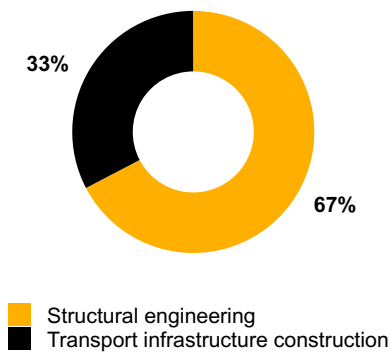


- **At the end of December 2024**, the order backlog decreased by 10.0 % from December 2023, amounting to EUR 176.6 (196.3) million. The order backlog increased by 15.3% from the end of the previous quarter (EUR 153.1 million)
- It is estimated that EUR 119 (168) million of the order backlog will be realised during year 2025, of which Sweden's share is EUR 13 million.
- In the fourth quarter of 2024, EUR 81.9 million of projects were entered in the order backlog, including the nearly EUR 58 million Koskela tram depot project, which has moved from the development phase to implementation. Additionally, new bridge projects worth 12 million euros were added to the order backlog, among other things.
- The order backlog does not include the possible implementation phases of projects in the development phase (the eastern part of the Vantaa tramway and the Tampere passenger rail yard).



- **In October - December 2024**, revenue decreased by 5.9% year-on-year, amounting to 75.5 (80.2) million. Share of Kreate’s Swedish business was EUR 9.9 (6.7) million with an increase of 46.6%
- **In January - December 2024**, revenue decreased by 13.9% year-on-year, amounting to EUR 275.5 (320.0) million. Share of Kreate’s Swedish business was EUR 32.9 (22.5) million with an increase of 45.5%
- The revenue recognition of large projects was lower than in the comparison period, with a normal number of ongoing projects in 2024

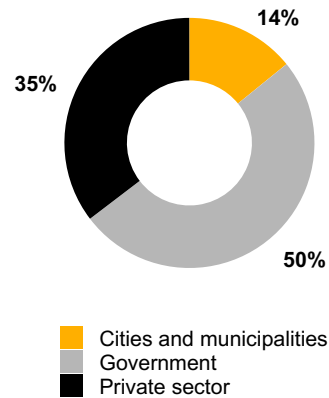
Revenue by business function 2024



2023: Structural engineering 78%,
 Transport infrastructure construction 22%

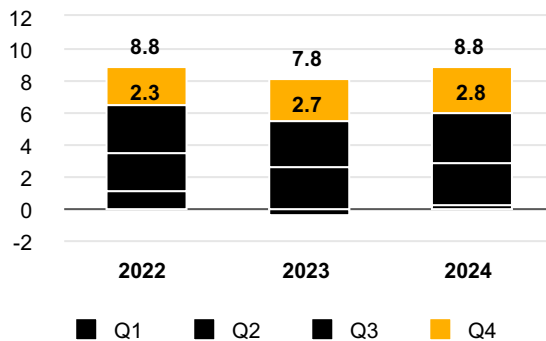
Transport infrastructure construction comprises Railway construction and Road and street construction. Structural engineering comprises of Bridge construction and and repair as well as Foundation and engineering construction.

Revenue by customer group 2024



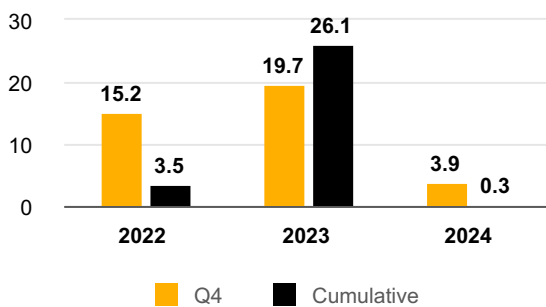
2023: Cities and municipalities 18%, Government 40%, Private sector 42%

EBITA, EUR million



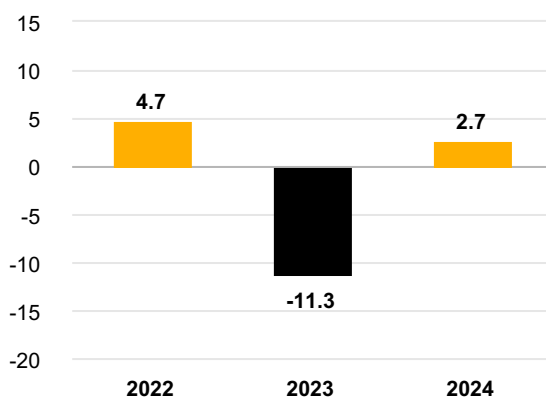
- **In October - December 2024**, EBITA grew year-on-year, amounting to EUR 2.8 (2.7) million
- **In January - December 2024**, EBITA grew to EUR 8.8 (7.8) million
- Kreate's flexible cost structure, selectivity of tendering operations and operations going as planned supported profitability despite lower revenue

Free cash flow from operating activities, EUR million



- **In October - December 2024**, free cash flow from operating activities was EUR 3.9 (19.7) million, of which net investments amounted to EUR -2.4 (0.7) million.
- During the review period, Kreate sold its properties in Tuusula for EUR 3.5 million and continued as a tenant in them.
- Operating free cash flow was reduced by the increase in net working capital in the fourth quarter
- **In January - December 2024**, free cash flow from operating activities was EUR 0.3 (26.1) million, of which net investments amounted to EUR 1.5 (5.9) million

Net working capital, EUR million



- **At the end of December 2024**, the company's net working capital was EUR 2.7 (-11.3) million, which is slightly above the company's long-term level 0 target
- The company's good level of net working capital is supported by continuous and systematic work in project liquidity and risk management

Kreate's financial statement bulletin for January - December

Operating environment in January - December 2024

According to the latest data concerning 2023, the total construction market in Finland was approximately EUR 38 billion. According to a broad interpretation, infrastructure construction accounted for approximately EUR 9 billion of this. 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 its 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 entity is currently approximately EUR 1.5 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 rock construction interfaces 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. At the end of 2024, Kreate started its foundation engineering business in Sweden by recruiting a team in Gothenburg and investing in the equipment needed for its operations.

In Finland and Sweden, the construction market was weak throughout 2024. Housing construction decreased most, but the volumes of infrastructure construction also fell. In 2024, the steep decline in housing construction volumes brought operators and competition to infrastructure construction, but to a lesser extent demanding infrastructure construction. The downturn development of the operating environment led to numerous bankruptcies of operators in the construction industry. Bankruptcies did not lead to significant write-downs of receivables in Kreate, and Kreate estimates that bankruptcies in the industry do not pose a significant financial risk to the company.

According to the economic outlook report published by The Confederation of Finnish Construction Industries in September 2024, 2025 is still expected to be a difficult year for construction as a whole, but the grounding of the infrastructure sector is already estimated to be behind us. In 2025, infrastructure construction is expected to grow by 2 per cent, supported by geopolitical investment requirements and the energy transition. When winning infrastructure projects, the delay to start-up is typically very short, and projects can be launched quickly if necessary.

Development in 2024

Russia's war of aggression began a rapid cost increase in 2022, which continued until early summer 2023. After this, the cost development calmed down, but input prices remained at a fairly high level. In 2024, construction costs continued to rise slightly year-on-year, until the rise halted in July. In August to November, construction costs decreased slightly from the comparison period.

June 2024 saw the first cut in the key ECB interest rate in Europe and three more towards the end of the year. At the end of the year, the key interest rate was 3.15% and the 12-month Euribor was around 2.5%, suggesting that the markets expect further rate cuts in 2025. In the longer term, the

decreasing key interest rate is expected to support demand in the construction sector, 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. Industrial construction investment is expected to decline by around 20 per cent in 2024. The economic outlook report by the The Confederation of Finnish Construction Industries 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 -35 in December, while the long-term average is -8.

Green transition

The Confederation of Finnish Industries' data window lists green transition projects worth EUR 280 billion. The potential for a green – or clean – transition is huge, even if only a small part of the investments are realised. Before the green transition, they were talked about as part of traditional construction investments, which have generally totalled between EUR 1 billion and EUR 8 billion per year.

Between 2021 and 2024, a total of just under EUR 8 billion has been invested in the green transition, and a record high level of EUR 7 billion is forecast for 2025. Approximately 15–40% of these total investments in the green transition are allocated to construction. This would mean the green transition construction investments of around EUR 1–3 billion for 2025, in addition to other construction investments. This would increase investments for several years to a level of a good year of construction.

The green transition includes investments related to energy production and other industrial production facilities and data centres. Such projects typically involve the construction of large areas of land and special foundation construction. Due to demanding and extensive earthworks and foundation work, infrastructure construction may account for more than 20% of construction costs in such projects.

Market outlook

Kreate estimates that the market outlook in the infrastructure market suitable for the company is neutral, strengthening towards the second half of the year in Finland and strong in Sweden.

In the coming years, the infrastructure sector in Finland will be boosted by three factors in particular: the Government's four billion investment package, investments required by the geopolitical situation and green transition projects.

The most predictable of these is the Government's three-billion-euro investment programme budgeted for transport infrastructure projects, on top of which another billion was added in November 2024. Government projects include railway and fairway projects around Finland from the south to Sea Lapland. The list of projects is long, the tendering phase will begin in the second half of 2025 and projects will be implemented on a larger scale in 2026.

The geopolitical situation, NATO membership and strengthening Finland's security of supply have a positive impact on the demand for infrastructure, whether it concerns airport or port infrastructure, rail or road connections or other preparedness. Kreate is one of the operators capable of implementing such projects in Finland.

In the coming years, the green transition is expected to increase investments related to energy production, industrial production facilities and data centres, raising construction investments to a fairly high level for years to come. In green transition projects, the share of infrastructure construction in construction costs is typically higher than the average for construction investments.

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, as well as Gothenburg. In Sweden, Kreate still mainly operates as a subcontractor, in which case Kreate's direct customers are private, but the end customers are usually public customers.

Order backlog

The order backlog decreased by 10.0 % year-on-year, amounting to EUR 176.6 (196.3) million at the end of December 2024. From the end of previous quarter, the order backlog increased by 15.3%. The expected profitability of the order backlog was at a normal level compared to the previous. In the last quarter of 2024, new projects worth 81.9 million euros were added to the order backlog, including the nearly 58 million euro Koskela tram depot project, which moved from the development phase to implementation. Additionally, new bridge projects worth 12 million euros were added to the order backlog. It is estimated that EUR 119 (168) million of the order backlog will be realised during year 2025, of which Sweden's share is EUR 13 million. The order backlog does not include the possible implementation phases of projects in the development phase (the eastern part of the Vantaa tramway and the Tampere passenger rail yard).

Revenue

The Group's revenue by business function

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Structural engineering ¹⁾	46.2	59.8	183.0	249.7
Transport infrastructure construction ²⁾	28.0	21.0	88.8	71.2
Other ³⁾	1.2	-0.5	3.7	-0.9
Total	75.5	80.2	275.5	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

October - December 2024

In October - December, the Group's revenue decreased compared to the reference period, amounting to EUR 75.5 (80.2) million. Year-on-year, revenue decreased in Structural engineering to EUR 46.2 (59.8) million and grew in Transport infrastructure construction to EUR 28.0 (21.0) million. The revenue from Sweden is included in the Structural engineering business area, and it was EUR 9.9 (6.7) million in October - December.

January - December 2024

In January - December, the Group's revenue decreased compared to the reference period, amounting to EUR 275.5 (320.0) million. Year-on-year, revenue decreased in Structural engineering to EUR 183.0 (249.7) million and grew in Transport infrastructure construction to EUR

88.8 (71.2) million. The revenue from Sweden is included in the Structural engineering business area, and it was EUR 32.9 (22.5) million.

In transport infrastructure construction, the growth has been driven in particular by work related to railway construction. In structural engineering, the decrease was particularly apparent in foundation and engineering construction, where the clients are to a significant extent private parties.

In January - December, of the Group's total revenue, 14 (18) per cent came from cities and municipalities, 50 (40) per cent from the government and 35 (42) per cent from the private sector.

Profitability

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
EBITDA	4.9	4.9	15.3	14.0
EBITDA, %	6.5	6.1	5.5	4.4
EBITA	2.8	2.7	8.8	7.8
EBITA, %	3.7	3.4	3.2	2.4
Operating profit	2.8	2.6	8.7	7.6
Operating profit, %	3.7	3.3	3.2	2.4
Result for the period	1.6	1.6	4.6	3.9
Earnings per share, €	0.20	0.18	0.49	0.44

October - December 2024

In October - December, the Group's EBITDA was EUR 4.9 (4.9) million, amounting to 6.5 (6.1) per cent of revenue. EBITA was EUR 2.8 (2.7) million, amounting to 3.7 (3.4) per cent of revenue. The Group's operating profit was EUR 2.8 (2.6) million, amounting to 3.7 (3.3) per cent of revenue. A capital gain of EUR 0.5 million was recorded on the sale of Tuusula properties completed in the fourth quarter.

The Group's result before tax in October - December was EUR 2.0 (1.9) and tax for the period amounted to EUR 0.3 (0.3) million. Result for the period was EUR 1.6 (1.6) million and earnings per share were EUR 0.20 (0.18).

January - December 2024

In January - December, the Group's EBITDA was EUR 15.3 (14.0) million, amounting to 5.5 (4.4) per cent of revenue. EBITA was EUR 8.8 (7.8) million, amounting to 3.2 (2.4) per cent of revenue. The Group's operating profit was EUR 8.7 (7.6) million, amounting to 3.2 (2.4) per cent of revenue.

The Group's result before tax was EUR 5.9 (4.6). Tax for the financial year amounted to EUR 1.3 (0.7) million, corresponding effective tax rate of 21.9% (16.1%). Result for the financial year was EUR 4.6 (3.9) million, of which the share attributable to the owners of the parent amounts to EUR 4.4 (3.7) million. Earnings per share were EUR 0.49 (0.44).

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

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Free cash flow from operating activities	3.9	19.7	0.3	26.1
Net working capital			2.7	-11.3

Free cash flow from operating activities was EUR 3.9 (19.7) million in October - December. In January - December, free cash flow from operating activities was EUR 0.3 (26.1) million. During the financial year, net working capital increased to EUR 2.7 million from EUR -11.3 million at the end of the 2023 financial year.

EUR million	12/2024	12/2023
Interest-bearing debt	40.7	40.3
Cash and cash equivalents	10.8	23.6
Net debt	29.9	16.8
Equity	43.6	42.8
Equity ratio, %	33.2	31.8
Return on capital employed, %	13.1	11.2

At the end of December, interest-bearing debt amounted to EUR 40.7 (31 December 2023: 40.3) million, of which EUR 5.3 (31 December 2023: 3.0) million constituted lease liabilities under IFRS 16. The company's cash and cash equivalents amounted to EUR 10.8 (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 financial year (31 December 2023: 0.0). At the end of December interest-bearing net debt was EUR 29.9 (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 31.12.2024 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 6.1 (5.7) per cent in January - December of the financial year.

At the end of the financial year, the consolidated balance sheet total was EUR 131.4 (31 December 2023: 134.6) million and equity was EUR 43.6 (31 December 2023: 42.8) million. At the end of the financial year, equity ratio was 33.2 (31 December 2023: 31.8) per cent and the company's return on capital employed was 13.1 (31 December 2023: 11.2) per cent.





Investments

Net investment cash flow was EUR -2.4 (0.7) million in October - December and EUR 1.5 (5.9) million in January - December. Net investments is reduced by the sale of the Tuusula property for EUR 3.5 million. Kreate's gross investments in tangible and intangible assets amounted to EUR 1.2 (0.8) million in October - December and EUR 5.9 (6.9) million in January - December.

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.




Building with passion Development in 2024

Employee satisfaction 	<ul style="list-style-type: none"> ▪ Personnel's willingness to recommend an employer, eNPS 49 (target eNPS > 50)
Occupational safety and safety culture 	<ul style="list-style-type: none"> ▪ Combined accident frequency 11.3 (target level for 2025 < 11) ▪ Occupational safety observations made in 15.6% of projects (target 100%) ▪ Occupational safety observations 4.6 per person (target at least 6 per person)
Increasing competence 	<ul style="list-style-type: none"> ▪ Internship offered to 71 students (target at least 50 students per year) ▪ To educate trainees into Creates: 39% of recruits have an internship background (the goal is that at least every third supervisor and project engineer recruited to a permanent employment relationship has previously worked as a trainee at Kreate) ▪ Support the career opportunities of the personnel: performance appraisals have been held with 58% (target over 75%) and development plans for white-collar employees have been recorded
Responsible employer 	<ul style="list-style-type: none"> ▪ New employees inducted (target 100%) ▪ 72% of employees trained in the company's Code of Conduct (target 100%) ▪ 5 ethical violations (target 0)

Reducing our footprint Development in 2024

Minimizing the impact of construction 	<ul style="list-style-type: none"> ▪ 761,555 tonnes of waste and soil received and further processed for reuse ▪ Aiming for a growing trend in offering circular economy solutions and increasing the use of circular economy solutions
Tackling climate change 	<ul style="list-style-type: none"> ▪ Group emissions: Scope 1: 3,798 tn CO2e, Scope 2: 241 tn CO2e, Scope 3: 36,687 tn CO2e

Increasing our handprint Development in 2024

Sustainable and safe solutions 	<ul style="list-style-type: none"> ▪ Customer NPS 82 (target > 50)
Infrastructure projects supporting megatrends 	<ul style="list-style-type: none"> ▪ Finland: Business operations in the rail environment account for 28.9% of revenue (target 2024 > 15%)
Corporate responsibility 	<ul style="list-style-type: none"> ▪ We paid 100% of corporate taxes to Finland and Sweden

Personnel

At the end of December, Kreate Group employed 511 (472) persons. The average number of personnel in January - December was 507 (454). Kreate's personnel has been systematically increased, especially with regard to the competence profile needed in the rail environment. The company has succeeded well in recruiting experienced experts and growing future professionals through internships. The personnel's willingness to recommend Kreate as a workplace in eNPS in 2024 was 49, which is a very good result and an indication of employee satisfaction. In the last quarter of the year, we celebrated the company's 10-year journey as Kreate with our personnel. The two-day joint celebration strengthened the good team spirit and commitment to the company.

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. In 2024, performance appraisals were conducted with 58% of employees.

The training offering continued to be at a high level. The aim is to ensure the development of personnel with 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 a year ago, was completed by 72% of the personnel at the end of 2024.

Occupational safety

In October-December, there were a total of 5 lost-time injuries in our projects and in 2024 a total of 22 lost-time injuries. The 12-month rolling combined accident frequency rate relative to hours worked was 11.3. The combined accident frequency includes all lost-time injuries to employees and subcontractors at Kreate's construction sites. After the financial year, an accident occurred at the company's construction site, in which an employee of Kreate's subcontractor died.

In 2024, a total of 2 329 occupational safety observations were recorded in the company's systems, and 4.6 observations were recorded per person. Occupational safety observations had been recorded in the company's systems for approximately 15 per cent of the company's projects, the target being 100%.

Greenhouse gas emissions

In 2024, 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 revenue 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.

For the first time, the company reports its Group-level greenhouse gas emissions. In 2024, the Group's scope 1 emissions were 3 798 tn CO₂e, scope 2 emissions 241 tn CO₂e and scope 3 emissions 36 687 tn CO₂e. The emissions from the Swedish business have been estimated on a revenue basis, assuming the same emission intensity as Kreate's Finnish business.

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 Customer NPS indicator, which we have set as a target level of 50. At the end of 2024, the 12-month rolling Customer NPS was 82.

In Finland, business conducted in rail environment accounted for 29% of the revenue of Finnish businesses in 2024, exceeding the target of 15%. Between 2025 and 2030, the company aims to achieve Group-level revenue of more than 25% of business operations carried out in the rail environment.

Kreate will publish a sustainability report in accordance with the Sustainability Reporting Directive in 2024. The statement will be published in the company's Annual Review as part of the Report of the Board of Directors in March 2025.

Company management

There were no changes in the composition of the Management Team during the fourth quarter. As of 31 December 2024, Kreate's Management Team included the following people: Timo Vikström, President & CEO; Tommi Hakanen, SVP, Special Foundation Construction; Jaakko Kivi, SVP,

Technical Office; Antti Kokkonen, SVP, Bridge Construction and Repair; Sami Laakso, Chief Operating Officer; Mikko Laine, Chief Financial Officer; Timo Leppänen, SVP, Railway Construction; Katja Pussinen, SVP, HR and Juha Schönberg, SVP, Transport Infrastructure Construction.

During the financial year 2024, Kreate's management team also included Antti Kakko as SVP, Bridge Construction and Repair.

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 financial year. On 31 December 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 31 December 2024, the number of these shares reported on the consolidated balance sheet as treasury shares was 203,506 pieces, of which 75 000 pcs are acquired in reporting period. This number of shares represented 2.3 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 293,506 shares.

Trading in the company's shares

Kreate Group Plc's share capital at the end of December was EUR 80,000. The total number of outstanding shares in the company on 31 December 2024 was 8,984,772 shares, of which the company held 90,000 shares as treasury shares.

770,276 of Kreate's shares were traded on the Helsinki Stock Exchange in January - December. The highest trading price was EUR 8.70, and the lowest price was EUR 7.02. The volume weighted average price of Kreate's shares during the financial year was EUR 7.84.

The share's closing price on the last trading day of the financial year, 30 December 2024 was EUR 7.14. Based on the closing price of the financial year, the market value of the company's shares,

excluding the treasury shares reported on the consolidated balance sheet (293,506), was EUR 62.1 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](#).

Board of Directors' dividend proposal

Kreate Group Plc's Board of Directors proposes to the Annual General Meeting on 28 March 2025 that a dividend of EUR 0,50 be issued per share for shares held outside the company at the time of dividend distribution for 2024. The dividend will be paid in two instalments.

The first instalment of the dividend, EUR 0.25 per share, is paid to shareholders who are recorded on the company's list of shareholders maintained by Euroclear Finland Oy on the date of record for dividend payment which is Tuesday 1 April 2025. The Board of Directors proposes to the Annual General Meeting that the dividend be paid on Tuesday 8 April 2025.

The second instalment of the dividend, EUR 0.25 per share, is paid in October 2025. The second instalment is paid to shareholders who are recorded on the company's list of shareholders maintained by Euroclear Finland Oy on the date of record for dividend payment. The Board of Directors will decide on the date of record and payment date for the second instalment of the dividend on its meeting in September.

Event after the financial year

There have been no material events after the financial year.

Tuusula, 4 February 2025

Kreate Group Plc

Board of Directors

Notes

Calculation formulas for key figures

Tables for the January - December 2024 Financial Statement Bulletin

Key figures by quarter

EUR million	Q4/24	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	Q4/22
Order backlog	176.6	153.1	200.1	183.6	196.3	221.8	264.9	265.7	306.9
Revenue	75.5	77.6	68.0	54.4	80.2	88.3	85.7	65.8	83.1
Change in revenue, %	-2.7	14.2	24.9	-32.2	-9.1	3.0	30.2	-20.8	13.3
EBITDA	4.9	4.7	4.0	1.6	4.9	4.0	4.0	1.0	3.8
EBITDA, %	6.5	6.1	5.9	3.0	6.1	4.6	4.7	1.5	4.5
EBITA	2.8	3.1	2.6	0.3	2.7	2.9	2.6	-0.4	2.3
EBITA, %	3.7	4.0	3.8	0.5	3.4	3.3	3.0	-0.6	2.8
Operating profit	2.8	3.1	2.6	0.2	2.6	2.8	2.5	-0.4	2.3
Operating profit, %	3.7	4.0	3.8	0.4	3.3	3.2	2.9	-0.7	2.7
Result for the period	1.6	1.9	1.6	-0.6	1.6	1.4	1.5	-0.7	1.3
Capital employed	73.4	72.3	73.4	63.5	59.6	76.3	80.8	79.9	75.9
Return on capital employed, %	13.1	11.5	10.8	11.5	11.2	8.8	9.8	9.9	12.5
Return on equity, %	10.7	10.4	9.8	9.4	9.1	8.4	10.4	10.3	13.5
Net investments in operating activities	2.4	-1.2	-1.7	-1.0	-0.7	-0.9	-1.1	-3.2	-0.5
Free cash flow from operating activities	3.9	5.9	-6.5	-3.1	19.7	8.0	1.7	-3.3	15.2
Net working capital	2.7	-2.1	1.0	-7.0	-11.3	2.8	6.9	5.6	4.7
Net debt	29.9	28.5	31.7	20.9	16.8	32.9	39.1	38.0	33.4
Net debt/EBITDA, rolling 12 months	2.0	1.9	2.2	1.4	1.2	2.6	3.0	3.0	2.5
Equity ratio, %	33.2	32.1	31.9	34.9	31.8	30.0	28.2	32.1	31.6
Earnings per share, €	0.20	0.20	0.16	-0.07	0.18	0.16	0.17	-0.08	0.14
Personnel at the end of the period	511	520	512	445	472	494	504	455	447
Personnel on average	517	534	496	447	475	499	460	453	449

Additional information on alternative performance measures

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Outstanding shares on average, diluted (1,000 pcs)	8,895	8,895	8,895	8,895
Outstanding shares on average, undiluted (1,000 pcs)	8,706	8,827	8,751	8,838
Amortisations from intangible assets	-0.0	-0.0	-0.2	-0.2

EUR million	Q4/24	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	Q4/22
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)	8,706	8,766	8,766	8,766	8,827	8,841	8,841	8,841	8,841
Amortisations from intangible assets	-0.0	-0.0	-0.0	-0.1	-0.0	-0.0	-0.0	-0.1	-0.0

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, %	$\frac{\text{Equity}}{\text{(Balance sheet total – prepayments received)}} \times 100$

Financial Statement Bulletin for January - December 2024: Table section

Consolidated statement of income

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Revenue	75.5	80.2	275.5	320.0
Other operating income	1.0	0.3	1.9	0.9
Materials and services	-55.9	-59.7	-203.6	-251.1
Employee benefit expenses	-12.0	-13.0	-44.1	-42.7
Other operating expenses	-4.2	-3.0	-14.8	-13.7
Share of associates' and joint ventures' profit or loss	0.5	0.2	0.4	0.5
Depreciation, amortisation and impairment	-2.1	-2.3	-6.6	-6.4
Operating profit	2.8	2.6	8.7	7.6
Financial income	0.0	0.0	0.2	0.0
Financial expenses	-0.8	-0.8	-3.0	-3.0
Financial income and expenses	-0.8	-0.8	-2.8	-2.9
Result before taxes	2.0	1.9	5.9	4.6
Income taxes	-0.3	-0.3	-1.3	-0.7
Result for the period	1.6	1.6	4.6	3.9
Profit attributable to:				
Shareholders of parent	1.7	1.6	4.4	3.7
Non-controlling interests	-0.1	0.0	0.2	0.2
Earnings per share calculated from the income attributable to				
Undiluted, €	0.20	0.18	0.50	0.44
Diluted, €	0.20	0.18	0.49	0.44
Consolidated statement of comprehensive income				
Result for the period	1.6	1.6	4.6	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
Total comprehensive income for the period	1.6	1.6	4.6	3.9
Comprehensive income attributable to:				
Shareholders of parent	1.7	1.6	4.4	3.7
Non-controlling interests	-0.1	0.0	0.2	0.2

Consolidated balance sheet

EUR million	12/2024	12/2023
ASSETS		
Non-current assets		
Intangible assets	0.3	0.5
Goodwill	40.4	40.0
Tangible assets	18.3	20.4
Right-of-use assets	5.2	2.9
Investments in associated companies and joint ventures	10.5	10.5
Other receivables	0.2	0.3
Deferred tax assets	0.9	1.0
Total non-current assets	75.8	75.7
Current assets		
Contract assets	15.8	14.8
Trade and other receivables	28.3	19.8
Income tax receivables	0.7	0.7
Cash and cash equivalents	10.8	23.6
Total current assets	55.6	58.9
Total assets	131.4	134.6
EQUITY		
Equity attributable to the shareholders of the parent		
Share capital	0.1	0.1
Reserve for invested unrestricted equity	19.7	19.7
Treasury shares	-1.7	-1.0
Foreign exchange rate differences	0.0	0.0
Retained earnings	25.2	24.0
Total equity attributable to the shareholders of the parent	43.3	42.8
Share of non-controlling interests	0.3	0.1
TOTAL EQUITY	43.6	42.8
LIABILITIES		
Non-current liabilities		
Interest-bearing debt	29.8	29.4
Deferred tax liabilities	1.4	1.5
Total non-current liabilities	31.2	30.9
Current liabilities		
Interest-bearing debt	10.9	11.0
Contract liabilities	12.7	12.3
Trade payables and other liabilities	29.4	34.4
Income tax liabilities	0.3	0.0
Provisions	3.3	3.1
Total current liabilities	56.7	60.9
Total liabilities	87.9	91.7
Total equity and liabilities	131.4	134.6

Consolidated cash flow statement

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Result for the period	1.6	1.6	4.6	3.9
Depreciation, amortisation and impairment	2.1	2.3	6.6	6.4
Financial income and expenses	0.8	0.8	2.8	2.9
Income taxes	0.3	0.3	1.3	0.7
Other adjustments	-0.6	0.2	0.0	0.9
Total adjustments	2.6	3.5	10.6	11.0
Change in trade and other receivables	4.5	23.3	-9.2	15.2
Change in trade payables and other liabilities	-9.1	-9.7	-4.5	0.7
Change in provisions	1.9	1.6	0.2	1.2
Total change in working capital	-2.7	15.2	-13.4	17.1
Cash flow from operations before financial items and taxes	1.5	20.3	1.8	31.9
Interest paid in operating activities	-0.2	-0.2	-0.6	-0.8
Interest received in operating activities	0.0	0.0	0.2	0.0
Other financial items	-0.2	0.0	-0.6	-0.4
Dividends received from business	-	-	0.0	0.0
Taxes paid	-0.4	0.0	-1.0	-1.1
CASH FLOW FROM OPERATIONS	0.7	20.1	-0.3	29.6
Investments in tangible and intangible assets	-1.2	-0.8	-5.9	-6.9
Disposals of tangible and intangible assets	3.6	0.1	4.4	1.0
Acquisition of the subsidiary less cash and cash equivalents on the date of acquisition	-	-	-0.3	-
CASH FLOW FROM INVESTING ACTIVITIES	2.4	-0.7	-1.9	-5.9
Acquisition of treasury shares	-0.6	-0.5	-0.6	-0.5
Drawdown of non-current loans	0.4	-	1.8	0.3
Repayment of non-current loans	-0.1	0.3	-0.4	-
Drawdown of current loans	6.1	5.0	18.1	42.0
Repayment of current loans	-6.1	-8.4	-21.8	-45.0
Repayment of lease liabilities	-0.6	-0.6	-1.7	-1.2
Interest and other loan expenses	0.0	0.0	-1.8	-1.2
Dividends paid	-1.6	-2.0	-4.2	-4.1
CASH FLOW FROM FINANCING ACTIVITIES	-2.5	-6.2	-10.6	-9.6
CHANGE IN CASH AND CASH EQUIVALENTS	0.7	13.2	-12.7	14.2
Cash and cash equivalents at the beginning of the period	10.2	10.4	23.6	9.4
Change in cash and cash equivalents	0.7	13.2	-12.7	14.2
Impact of the changes in foreign exchange rates	0.0	0.0	0.0	0.0
Cash and cash equivalents at the end of the period	10.8	23.6	10.8	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>	-	-	-	-	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

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>	-	-	-	-	4.4	4.4	0.2	4.6
<i>Foreign exchange rate differences</i>	-	-	-	0.0	-	0.0	0.0	0.0
<i>Total comprehensive income</i>	-	-	-	0.0	4.4	4.4	0.2	4.6
<i>Transactions with the owners</i>								
<i>Acquisition of treasury shares</i>	-	-	-0.6	-	-	-0.6	-	-0.6
<i>Dividend</i>	-	-	-	-	-4.2	-4.2	-	-4.2
<i>Share-based awards</i>	-	-	-	-	1.0	1.0	-	1.0
<i>Total transactions with the owners</i>	-	-	-0.6	-	-3.2	-3.8	-	-3.8
<i>Equity as at 31 December 2024</i>	0.1	19.7	-1.7	0.0	25.2	43.3	0.3	43.6

Notes

Key accounting principles and basis for preparation

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

The information presented in the Financial Statement Bulletin has not been audited.

The Financial Statement Bulletin 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 Financial Statement Bulletin 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 Group applies IFRS 16 when dealing with sale and leaseback transactions. If the transfer is accounted for as a sale, the right-of-use asset recognised in the balance sheet will be measured by the portion of the carrying amount of the original asset that corresponds to the value of the right to use that remains with the seller. Only the portion of the sales proceeds of the asset corresponding to the rights transferred to the buyer is presented as sales gain or loss. If the consideration for the sale of the asset or payments for the lease do not equal the fair value, the difference is recognised as an adjustment to the asset's sales proceeds. Any below-market terms are accounted for as a prepayment of lease payments, and any above-market terms are accounted for as financial liability. If the requirements for a sale are not satisfied, the Group will continue to recognise the transferred asset in its balance sheet, and will present the transfer proceeds as financial liability.

The preparation of a financial statement bulletin 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	1-12/2024	1-12/2023
Structural engineering ¹⁾	183.0	249.7
Transport infrastructure construction ²⁾	88.8	71.2
Other ³⁾	3.7	-0.9
Total	275.5	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 growth has been driven in particular by work related to railway construction. The share of structural engineering has fallen. The decrease was particularly apparent in foundation and engineering construction, where the clients are to a significant extent private parties. Kreate's Swedish business is presented within Structural engineering.

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

	1-12/2024	1-12/2023
Cities and municipalities	14%	18%
Government	50%	40%
Private sector	35%	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	12/2024	12/2023
Assets based on contracts with customers	15.8	14.8
Trade receivables	27.9	19.2
Loan receivables	0.0	0.0
Other receivables	0.1	0.2
Accrued income	0.3	0.4
Total trade and other receivables	28.3	19.8
Interest receivables	0.0	0.0
Accrued personnel costs	-	0.1
Other accrued income	0.3	0.3
Total accrued income	0.3	0.4
Liabilities based on contracts with customers	12.7	12.3
Advances received	0.1	0.0
Trade payables	11.7	14.0
Other liabilities	4.2	6.8
Accrued liabilities	13.4	13.6
Total trade payables and other liabilities	29.4	34.4
Interest liabilities	0.7	0.9
Accrued personnel costs	12.0	11.5
Other accrued liabilities	0.7	1.2
Total accrued liabilities	13.4	13.6

Financial assets and liabilities

EUR million	31 December 2024	Carrying amount	Fair value
Financial assets measured at amortised cost			
Non-current receivables		0.2	0.2
Non-current financial assets		0.2	0.2
Trade and other receivables		28.0	28.0
Cash and cash equivalents		10.8	10.8
Current financial assets		38.8	38.8
Total financial assets		39.0	39.0
Financial liabilities measured at amortised cost			
Loans from financial institutions		24.6	24.7
Hire purchase liabilities		1.9	1.9
Lease liabilities		3.2	
Non-current interest-bearing liabilities		29.8	
Loans from financial institutions		2.6	2.6
Commercial papers		6.0	6.0
Hire purchase liabilities		0.2	0.2
Lease liabilities		2.1	
Current interest-bearing liabilities		10.9	
Trade payables and other liabilities		16.1	16.1
Other current financial liabilities		16.1	16.1
Total financial liabilities		56.7	

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
Cash and cash equivalents		23.6	23.6
Current financial assets		43.0	43.0
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	12/2024	12/2023
Acquisition cost as at 1 January	36.9	34.2
Exchange rate differences	-0.1	0.0
Increases	5.9	6.9
Business acquisitions	0.9	-
Decreases	-8.2	-4.2
Acquisition cost at the end of the period	35.4	36.9
Accrued depreciation, amortisation and impairment as at 1 January	-16.5	-14.2
Exchange rate differences	0.0	0.0
Accrued amortisation on the decreases	4.5	2.8
Business acquisitions	-0.4	-
Amortisation for the period	-4.7	-5.0
Accrued depreciation, amortisation and impairment at the end of the period	-17.1	-16.5
Carrying amount at the end of the period	18.3	20.4

Decreases in tangible assets includes the sale of Tuusula premises.

Changes in right-of-use assets

EUR million	12/2024	12/2023
Acquisition cost as at 1 January	5.9	5.0
Exchange rate differences	0.0	0.0
Increases	4.0	1.4
Decreases	-0.9	-0.5
Acquisition cost at the end of the period	8.9	5.9
Accrued depreciation, amortisation and impairment as at 1 January	-2.9	-2.2
Exchange rate differences	0.0	0.0
Accrued amortisation on the decreases	0.9	0.4
Amortisation for the period	-1.7	-1.2
Accrued depreciation, amortisation and impairment at the end of the period	-3.7	-2.9
Carrying amount at the end of the period	5.2	2.9

Changes in intangible assets

EUR million	12/2024	12/2023
Acquisition cost as at 1 January	5.2	5.2
Decreases	0.0	0.0
Acquisition cost at the end of the period	5.2	5.2
Accrued depreciation, amortisation and impairment as at 1 January	-4.7	-4.5
Accrued amortisation on the decreases	0.0	0.0
Amortisation for the period	-0.2	-0.2
Accrued depreciation, amortisation and impairment at the end of the period	-4.9	-4.7
Carrying amount at the end of the period	0.3	0.5

Collateral and contingent liabilities

EUR million	12/2024	12/2023
Collateral given on behalf of joint project ventures	10.6	10.6
Guarantee liabilities from project contracts	41.8	46.2
Lease liabilities from short-term assets with a low value	1.0	1.2
VAT liability	0.0	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	1-12/2024 income	Expenses	12/2024 Receivables	Liabilities
Associate and joint venture	24.8	-6.2	1.8	0.0

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

Events after the financial year

There have been no material events after the financial year.