

# Kreate

Initiation of coverage 29.5.2026



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## Forerunner in infrastructure construction – initiating coverage with Accumulate

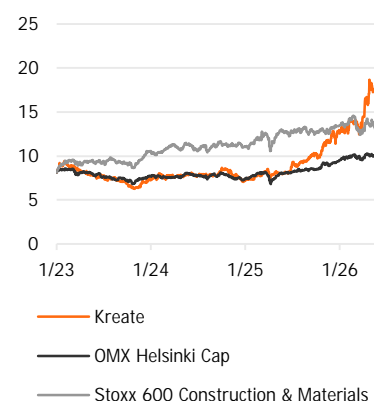
- We are initiating coverage on Kreate with an Accumulate recommendation and a target price of EUR 21. The company focuses on demanding infrastructure construction, and the coming years will see the start of several major projects in its target markets Finland and Sweden, as urbanisation continues and the public sector invests in road and rail connections, critical infrastructure and military preparedness. The growing the number of data centres is a significant long-term market opportunity for the company. We estimate that growth will be followed by stronger profitability.
- **Among the largest companies in the infrastructure sector in Finland:** Kreate's business consists of a versatile offering of infrastructure construction solutions and services to the public and private sectors. The company focuses on challenging projects that require special expertise and it is one of the largest infrastructure constructors in Finland. In addition to Finland, the company operates in Sweden (~15% of revenue). The company's order book stood at EUR 689m at the end of Q1 2026.
- **Growing market:** We estimate that the total value of the market relevant to Kreate is EUR ~6–7bn in Finland and EUR ~4–5bn in Sweden. Market development in infrastructure construction is not materially driven by economic cycles. The ongoing densification of urban environments and the need to enhance transport networks (roads, rail, bridges and tunnels) underpin a continuous demand for infrastructure upgrades. The growing need for digital infrastructure (such as data centres) and investments in critical infrastructure (such as underground rock caverns) create demand for Kreate's expertise, which has been proven in hundreds of projects.
- **Forecasts and valuation:** We expect Kreate to achieve revenue of over EUR 500m in 2026–2030 and estimate that the EBIT margin will rise to 4.5% in the same period. The share is valued at a slight discount to peers. In our opinion, the company's risk profile is lower than that of many peers due to its solid order book. On the other hand, the company's profitability is slightly lower than average and it does not have as strong earnings leverage from cyclical recovery as residential constructors, for example. We see moderate upside in the valuation, but earnings growth is the key driver of expected returns in the next few years.
- **Valuation:** Our target price is based on the valuation multiples EV/EBITA 11x and P/E 13x (80%) on our forecasts for 2026–2027 (50/50) and the DCF model (20%).

Recommendation **ACCUMULATE**

Target price (€) **21,00**

Price (€)*	19,40
High (12m)	19,80
Low (12m)	7,94
Market cap (M€)	174
Index weight	0 %
Beta	0,82
Ticker	KREATE
Next report date	14.7.2026

Performance	1m	3m	12m
Price (€)	17,85	14,00	7,98
Price change	8,7 %	38,6 %	143,1 %
Total return	10,5 %	41,7 %	154,9 %



Source: OP Markets, Bloomberg, \*) as of 28.5.

Kreate						
EURm	2023	2024	2025	2026e	2027e	2028e
Sales	320	276	315	535	566	550
Sales growth (%)	17 %	-14 %	14 %	70 %	6 %	-3 %
EBITA	7.8	8.8	10.2	20.0	22.4	23.5
EBITA margin	2.4 %	3.2 %	3.2 %	3.7 %	4.0 %	4.3 %
EPS	0.44	0.50	0.72	1.49	1.72	1.85
DPS	0.48	0.50	0.60	0.80	0.90	0.95
Yield (%)	6.6 %	7.0 %	4.8 %	4.2 %	4.8 %	5.0 %
EV/EBIT	10.7	10.8	14.8	10.2	9.0	8.2
P/E	16.4	14.3	17.4	12.6	10.9	10.2
ROE	9 %	11 %	15 %	27 %	25 %	22 %
ROCE	11 %	13 %	13 %	23 %	22 %	22 %
Equity ratio	32 %	33 %	24 %	27 %	31 %	37 %
Gearing	39 %	69 %	79 %	60 %	45 %	29 %
Net debt/EBITDA	1.2	2.0	2.0	1.2	1.0	0.7

Source: OP Markets

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## Investment case

- **A company specialised in demanding infrastructure construction projects**, whose strengths are foundation and engineering construction, bridge construction and repair, transport network construction, underground rock engineering and rail construction. Kreate’s business in Finland focuses on work related to the rail environment, growth centres and other demanding infrastructure projects throughout Finland. Kreate is one of the largest companies in its sector in Finland. Sweden represents around 15% of revenue. At the end of March 2026, the company’s order book was at an all-time high at EUR 689m.
- **Good growth outlook.** We estimate that the annual size the infrastructure market relevant to Kreate in Finland is around EUR 6–7bn around EUR 4–5bn in Sweden. Projects requiring diverse specialisation are forming an increasing share of the total market. Urbanisation continues, and various parties in society are increasingly investing in the strengthening of mobility, safety and security of supply as well as accelerating the use and development of AI. Underground construction, higher buildings, ground-related challenges on sites and construction schedule pressures require special expertise and continuous development from companies focusing on infrastructure projects. Data centres and investment needs related to the maintenance and strengthening of military preparedness create significant growth potential at least during the latter half of this decade.
- **Strong track record of profitable growth exceeding market growth.** In 2017–2025, Kreate’s average annual revenue growth (CAGR) was 11.9%. In our view, average market growth has been clearly lower in the same period. Growth has not been achieved at the expense of profitability: the company’s comparable EBITA margin has been 3.3% on average in the past five years and 3.7% in 2019–2025. The company’s business is capital-light – average return on investment has been 13.5% over the past five years. The company has maintained a track record of dividend growth since listing, and we expect dividend payout to grow considerably in 2026–2028.

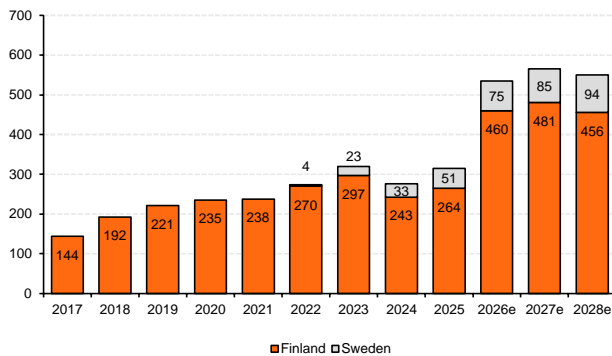
## Drivers

- **Urbanisation, densification of cities, green transition and electrification of society** increase the need for infrastructure construction requiring special expertise.
- **Investments in military capability, AI and cloud services (including data centres), security of supply and strengthening of transportation conditions** create significant long-term demand in the company’s main markets.
- **Public action programmes for infrastructure construction and governments’ countercyclical measures** bring visibility into the business over the longer term.

## Risks

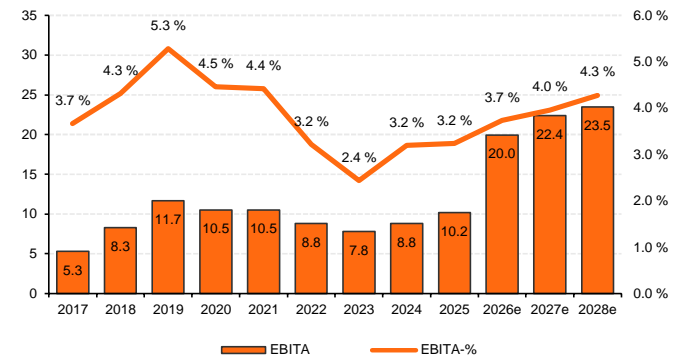
- **Project business** generate little recurring revenue, making new project intake critical to maintaining business continuity. The increasing size of projects also raises risks related to projects.
- **The company’s own measures to create demand are partly limited** – most of revenue comes from customers in the public sector.
- **A single large project loss may have a notable impact on annual earnings.**

Revenue (EURm)



Source: OP Markets, Kreate

EBITA (EURm) and margin (%)



Source: OP Markets, Kreate

## Business and key figures

Kreate is one of the largest infrastructure construction companies in Finland, with its business covering bridge construction, underground rock construction, foundation and engineering construction, specialised foundation construction, rail and tramway construction as well as road and street construction. The company was founded in 2015 when Fin-Seula Oy, Insinööritoimisto Seppo Rantala Oy and Kesälahden Maansiirto Oy merged into one company. Capabilities and the scope of business have been complemented and expanded with a couple of major acquisitions. The company acquired the Railtek companies in 2017 and Varkauden Louhintä Oy in 2018.

Two major acquisitions have been completed during this decade. Kreate acquired the Swedish Bror Bergentreprenad AB in 2022, and SRV Infra Oy in 2025. The acquisition of Bror Bergentreprenad AB increased the company's business in Sweden significantly, and the acquisition of SRV Infra helped Kreate establish a strong position in demanding underground rock engineering in the Finnish market. The acquisition of SRV Infra Oy is discussed in more detail on page 23 of this report. In addition, KFS Finland Oy (KFS), of which Kreate owns 50% and which focuses on specialised foundation construction, will be reported as Kreate's subsidiary as of 1 April 2026. KFS is discussed in more detail on page 15.

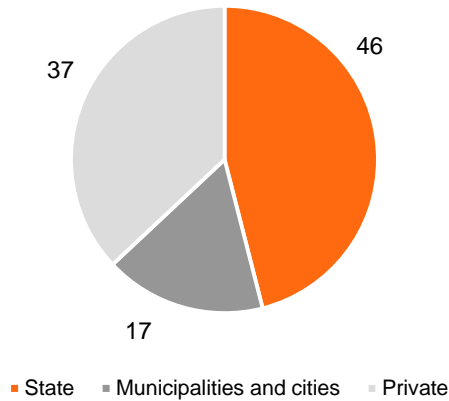
Most of Kreate's growth has been organic. In 2017–2025, average annual revenue growth (CAGR) amounted to 11.9%. The acquisition of SRV Infra, which was completed on the last day of 2025, would have increased revenue in 2025 (EUR 315m) by around 28% if it had been completed on the first day of 2025. In 2025, SRV Infra Oy's revenue totalled EUR 88.5m.

The company expects its revenue for 2026 to be EUR 510–550m and EBITA in the range of EUR 18–22m. At the end of 2025, Kreate's order book amounted to EUR 401m, and the value of projects in the pipeline, not yet included in the order book, was around EUR 400m. During Q1 2026, the company included in its order book several projects that were previously in the pipeline, and the end-of-Q1 order book was at an all-time high at EUR 689m.

We expect Kreate's revenue to grow to EUR 535m in 2026 and further to EUR 566m in 2027. After the peak years 2026–2027, we take a conservative stance on 2028 for the time being and expect revenue to decrease moderately to EUR 550m in 2028. We expect solid average annual revenue growth (CAGR) of 12% in 2026–2030.

Most of Kreate's revenue (around 63% in 2025) consists of contracts commissioned by the public sector (government bodies such as the Finnish Transport Infrastructure Agency, Finavia and Economic Development Centres, and municipalities or joint municipal authorities/companies, such as water and energy companies). The rest (around 37% in 2025) of the revenue accumulates from contracts carried out for privately-owned companies (such as construction companies, industrial companies, real estate investment companies and retail). Projects carried out for the government represented 47% of revenue in 2025.

**Kreate's customers in 2025, percentage of revenue**



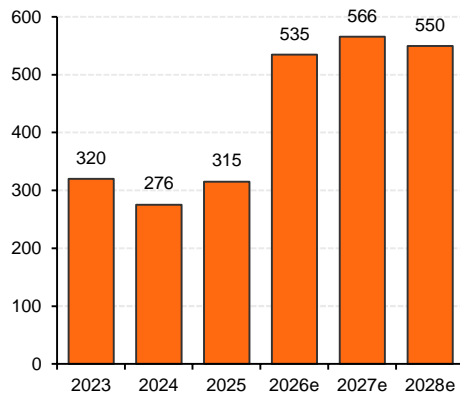
Source: Kreate and OP Markets

In 2025, the company's comparable EBITA was EUR 10.2m and comparable EBITA margin was 3.2%. At the end of Q1 2026, Kreate's balance sheet (the total amount of which was EUR 180.2m) contained EUR 63.3m of goodwill.

We assume that the cost and price inflation of key production factors will on average correspond to the general inflation rate in the coming years. Mainly volume-based material and service costs represented around 73% of aggregate revenue in 2024 and 2025. Thus, the gross margin for the years in question was 27%, which means that variable costs represent a notable share of the cost base. Correspondingly, personnel costs represented around 17% of revenue. The company has a rather substantial performance-based bonus scheme, which is why we believe that personnel costs are flexible during weaker periods. We estimate that EBITA will amount to EUR 20.0m in 2026, with the EBITA margin being 3.7%.

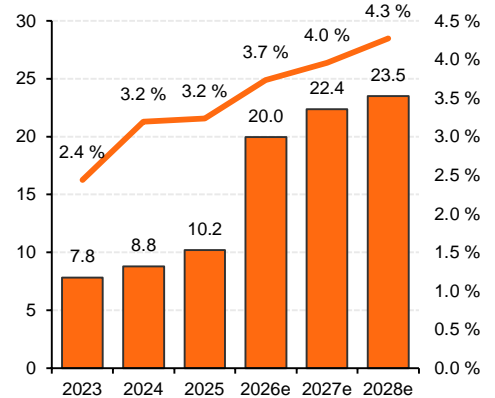
In the strategy period 2024–2027, Kreate aims to reach annual revenue growth of 5–10% and an EBITA margin of over 5%. According to our interpretation, the revenue growth target applies to organic growth. The company aims at a net debt/EBITDA ratio of below 2.5.

**Revenue**



Source: OP Markets, Kreate

**EBITA and EBITA %**



Source: OP Markets, Kreate

**Kreate - Financial targets**

Revenue growth at an annual rate of 5-10% as of 2025

EBITA-margin >5%

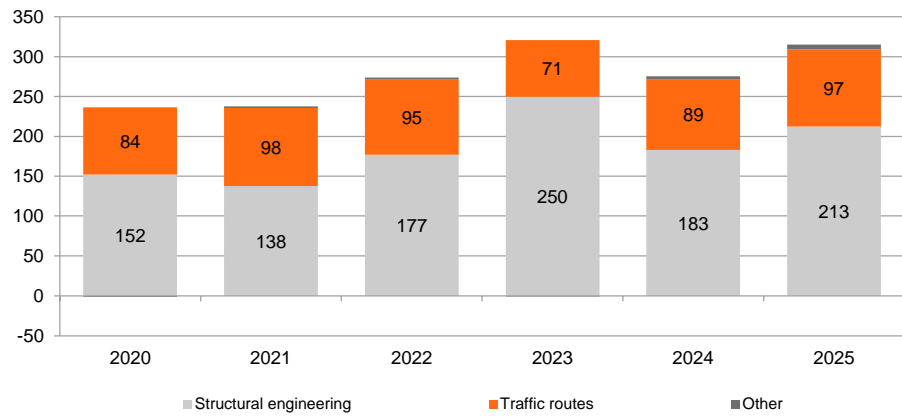
Net debt/ EBITDA below 2.5

At least half of annual net profit is paid out as dividend, while taking into account the financial position, cash flows and growth opportunities

Source: Kreate and OP Markets

Kreate has two business areas: structural engineering and traffic routes, but they are not independent reporting segments. However, the company discloses the revenue breakdown for these two business areas in connection with its earnings report. Below the top line, the company presents income statement items in aggregate, without disclosing segment-level detail.

**Structural engineering and traffic routes, share of revenue, EUR million**



Source: Kreate and OP Markets

## Market outlook

Kreate operates in the infrastructure construction market in Finland and Sweden. The company's roots lie in Finland, and its offering in the home market is extensive covering most areas of infrastructure construction. In Sweden, the offering is more limited, and Kreate focuses only on specific geographical areas in Sweden. We estimate that both countries offer Kreate good growth opportunities in the medium and long term.

We believe that the total annual value of the infrastructure construction market in Finland is nearly EUR 10bn. In Sweden, the total annual market is around twice as much, that is, around EUR 20bn.

In our view, the size of the market relevant to Kreate in Finland has historically been around EUR 5bn per year. The acquisition completed in 2025 (SRV Infra) expanded Kreate's offering to underground rock construction as a result of which the company's potential market grew in Finland.

Historically, the infrastructure construction market has grown annually a few per cent, and the market has been relatively immune to cyclical fluctuations. In the next few years, market growth can be assumed to outperform the historical pace. In our view, there are two key reasons for this.

First of all, the many data centres which will be built in Finland also offer a sizeable new market for infrastructure construction. It is difficult to estimate the aggregate size, value and time span of the projects, but we estimate that data centres' infrastructure construction capex could expand the infrastructure market by at least EUR 0.5bn annually over the next five years, with the expansion being even larger in the total market for construction.

Secondly, Russia's war against Ukraine has increased investments in critical underground infrastructure, and this trend will probably continue for several years. The potential created by this market is difficult to quantify due to the nature of the business. We estimate that Kreate as a company has the best information about market developments related to the defence industry and infrastructure that is critical for security of supply.

Kreate entered the Swedish market through an acquisition, and its Swedish operations have expanded significantly in recent years. We estimate that the size of the relevant market in Sweden is currently EUR 4–5bn per year.

### Finnish infrastructure construction market

We estimate that the Finnish infrastructure construction market relevant to Kreate (such as traffic routes, railways, bridges, tunnels, underground sites and other ground and specialised foundation construction work) currently totals around EUR 6–7bn on an annual basis. The size of the market cannot be determined very specifically, and a few large projects may also have a significant impact on the size of the total market. The majority of the infrastructure market relevant to Kreate consists of infrastructure investments, which means projects involving new construction. The company described the relevant market in its Q1 2026 interim report as follows:

"The size of the market suitable for Kreate in Finland is over EUR five billion. The market relevant to Kreate includes, among others, railway and tramway construction, road and street construction including municipal engineering, bridge construction and repair, rock construction as well as foundation and specialised foundation construction. Kreate is not dependent on residential construction. The company's foundation construction focuses mainly on the execution of groundwork as well as concrete and reinforcement works for large industrial projects. Kreate's transport infrastructure construction is often linked to demanding sites, such as waterway or railway bridges or dense urban environments and rail surroundings. Kreate does not carry out basic road surfacing, nor does it have infrastructure maintenance business.

There is no continuously updated information available on the size of different market areas in infrastructure construction. Estimates presented by listed infrastructure construction companies are usually based on market analyses produced by third parties. In our view, it is more essential for investors to know and be aware of the size of the total market that is suitable for the company, its assumed growth and that the company operates in most areas of infrastructure construction.

Factors that affect the total infrastructure construction market include:

- **Development of public transport and attractiveness and densification of urban centres:** Infrastructure construction is increasingly concentrated in growth centres, supported by strengthening urban attraction and densification of the urban structure. At the same time, the development of public transport and sustainable mobility solutions will expand especially the rail construction market due to investments in railway and light rail projects and urban development built around them. Growth in cities increases the need to develop transport networks, energy and water supply as well as other critical infrastructure increasingly efficiently and in denser urban settings. This increases the technical requirements for construction when projects are implemented underground, amidst existing infrastructure and on challenging ground. At the same time, there are strict project requirements regarding schedules and disruptions in order to minimise impacts on traffic, business and functioning of cities.
- **Finland's state-owned transport infrastructure (state-maintained roads, railways and waterways) carries a maintenance backlog exceeding EUR 4bn,**<sup>1</sup> and we believe municipally managed transport infrastructure faces a shortfall of a broadly similar magnitude. The difficulties of local government finances may erode municipalities' financial resources to invest in infrastructure.
- **Data centres.** Many large data centres are being constructed and planned in Finland and Sweden. In September 2025, the Confederation of Finnish Industries (EK) estimated that publicly announced data centre companies' investment plans in Finland totalled EUR 12bn. According to EK's estimate, the total potential related to data centres exceeds EUR 30bn<sup>2</sup>. Data centre projects, in our view, are driven by the need for swift execution and they demand strong contractual expertise from all parties as well as the ability to commit to short delivery schedules.
- **Safety-related projects.** The EU member states are considerably increasing their defence spending in order to strengthen and increase the capacity and operating conditions of their military defence. This means, for instance, building facilities related to military capabilities and the safety of population and investments in strengthening military mobility (roads and transport infrastructure). The project portfolio comprises both security-classified and public projects.
- **New procurement models.** New procurement models (such as the alliance model) are increasingly used in public projects instead of traditional contracting. In future, companies in the sector must have more design management and data-driven productivity monitoring practices, among other things.
- **Public measures supporting infrastructure construction (Finland and Sweden).** The Finnish Transport Infrastructure Agency's multi-year plans and investment programme to develop the transport network (including new infrastructure and upgrades to the existing network), alongside Sweden's 12-year infrastructure action plan, are expected to generate significant new market opportunities in the coming years.

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<sup>1</sup> Finnish Transport Infrastructure Agency: <https://vayla.fi/en/maintenance/maintenance-backlog>

<sup>2</sup> Confederation of Finnish Industries: <https://ek.fi/ajankohtaista/tiedotteet/selvitys-datakeskukset-ovat-avain-suomen-digitaaliseen-kilpailukykyyn-tarjooa-suomelle-miljardiluokan-kasvupotentiaalin/>

Next, we will examine in more detail the areas of infrastructure construction which are relevant to Kreate. These segments include bridge construction and repair, foundation and engineering construction, rail construction, road and street construction, rock construction and specialised foundation construction (KFS). Lastly, we will discuss Kreate's business in Sweden.

## Foundation and engineering construction

Foundation construction refers to work that involves parts of a building or infrastructure project below the ground. Foundation construction includes drilling and piling, stabilising land masses and building steel sheet pile walls and pile slabs. Engineering construction includes the construction of concrete structures, among other things. Growth in foundation and engineering construction depends on construction cycles as well as what is built and in what kind of a location.

Kreate's foundation and engineering projects are rarely linked directly to residential construction. Structures built on top of Kreate's foundation, piling, sheet piling and concrete structures are typically industrial and commercial in nature, such as production and logistics facilities, related to public transport routes and public-sector facilities and data centres.








As a rule, the building ground is more demanding in urban centres than in sparsely populated areas, and for instance, buildings can be located closer to water and on artificial ground. The easiest grounds have been used first, and from the viewpoint of construction, a demanding ground increases the need to stabilise it. Construction in growth centres also takes place increasingly underground, which increases the need to reinforce concrete structures and foundations.

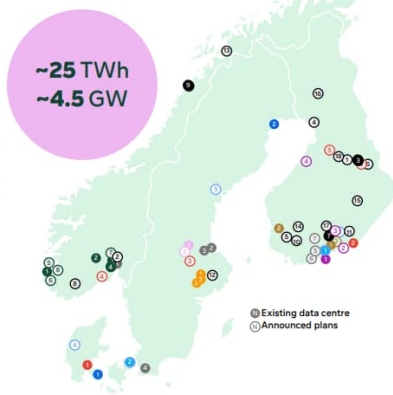
At the same time, the growth of industrial and data centre investments increases the need for sizeable foundation and infrastructure work across Finland. Projects are often large, with stringent requirements for load-bearing capacity, vibration control, scheduling and construction reliability. The construction of data centres and industrial facilities typically requires very heavy foundations and extensive earth moving work. Challenging ground on a construction site further increases the technical requirements for the project.

Foundation and engineering construction customers mainly consist of private companies. One major growth driver for the business is data centre construction. As stated earlier in the report, Finland (and the Nordics) is witnessing a strong wave of data centre development, with a notable share of projects currently in the planning phase (see page 7). In November 2025, the Finnish Government published a national road map for data centres that are essential for value creation in the data economy, which complements the Government’s growth programme for the data economy.<sup>3</sup> The report discusses Finland’s competitive position and strengths related to the global data centre industry as well as the impacts that data centres have on the economy, electrical system, environment and safety. The report sets targets for data centre operations and defines the principles according to which Finland should pursue data centres providing high added value. According to the report, the data centre capacity in Finland will multiply in the coming years due to factors related to global digitalisation and increasing use of AI and cloud services.

## The Nordic region is attractive for data centres

### KEY ADVANTAGES OF THE NORDICS

-  Land availability
-  Cold climate
-  Low-carbon & affordable electricity
-  Strong infrastructure
-  Political security
-  Skilled engineers
-  Time-to-market



- EcoDataCenter**
  - Falun, SE
  - Borlänge, SE
- VERNE**
  - Västeraås, SE
  - Katrineholm, SE
  - Eskilstuna, SE
  - Västeraås, SE
  - Katrineholm, SE
  - Eskilstuna, SE
- Google**
  - Fredericia, DK
  - Hamina, FI
  - Horndal, SE
  - Skien, NO
  - Muhos, FI
  - Kajaani, FI
- Meta**
  - Odense, DK
  - Luleå, SE
- atnorth**
  - Espoo, FI
  - Ballerup, DK
  - Kouvola, FI
  - Sligod, DK
  - Sollefteå, SE
- Others**
  - XTIX Markets, Kajaani, FI
  - Skygard, Oslo, NO
  - Borealis, Kajaani, FI
  - Bilt Tek, Kemi, FI
  - Biltzero, Kokemäki, FI
  - Arcens, Kuhmo, FI
  - Nebbus, Mantsala, FI
  - Bulk Infrastructure, Vennesla, NO
  - Nascale, Gjømfjord, NO
  - Blackstone, Forssa, FI
  - Polarnode, Lappeenranta, FI
  - Brookfield, Strängnäs, SE
  - Stargate, Narvik, NO
  - Polarnode, Nokia, FI
  - Scale42, Varkaus, FI
  - FCDC, Rovaniemi, FI
  - DayOne, Lahti, FI
  - AmpTank, Utajärvi, FI
- Green Power**
  - Rannney, NO
  - Rjukan, NO
  - Oslo 1, NO
  - Oslo 2, NO
  - Glemarvik, NO
  - Undheim, NO
  - Hanefoss, NO
  - Järpeland, NO
- HYPERCOOL**
  - Helsinki, FI
  - Loviisa, FI
  - Kouvola, FI
  - Pyhäjoki, FI

Sources: Fortum Market Intelligence Note: this is not an exhaustive list, but some representative ones at scale.

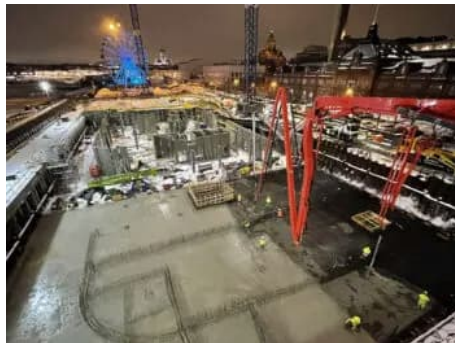


Image source: Fortum Market Intelligence, <https://www.fortum.com/files/fortum-investor-presentation-may-2026>

Below are some examples of Kreate’s projects in foundation and engineering construction which have been carried out in the past few years. Kreate implemented all foundation and concrete construction work for the Laituri project in Katajanokka. The timber-constructed office and hotel property was completed in 2023 and is home to, among others, the headquarters of forest industry company Stora Enso.

An example of a demanding project is the foundation and concrete structures for the underground floor of Kulttuurikasarmi (completed in 2023) in the protected and historical centre of Helsinki.

<sup>3</sup> Link to publication: " Datakeskusten kansallinen tiekartta", Finnish Transport Infrastructure Agency’s publications 2025: 94. <https://julkaisut.valtioneuvosto.fi/server/api/core/bitstreams/908eb6e7-d2c0-4592-99bc-196998db717b/content>

**Laituri project in Katajanokka****Kulttuurikasarmi project**

## Bridge construction and repair

We believe that the bridge construction market in Finland totals on average around EUR 0.5bn per year. In our view, the size of the annual market does not correlate even moderately with construction cycles, as the customer of a bridge project is typically a public entity. Many large bridge projects are related to more extensive transport infrastructure projects. Bridges are used for establishing and repairing the infrastructure in cities and municipalities and for creating transport connections for car traffic as well as bicycle and pedestrian traffic. There are several major road and rail projects underway and being planned in Finland, and the progress of these projects will affect the need to build new bridges on motorways and railway overpasses, among other things.

There is sizeable maintenance backlog of existing bridges in Finland. According to statistics published by the Finnish Transport Infrastructure Agency in 2025, there are more than 15,000 road bridges and nearly 2,500 railway bridges in Finland. According to the Finnish Transport Infrastructure Agency, the total area of these bridges is nearly 500 hectares. There is a maintenance backlog for both road bridges and railway bridges.

According to an estimate<sup>4</sup> published by the Finnish Transport Infrastructure Agency in 2025, the maintenance backlog related to road bridges amounted to EUR 395m at the beginning of 2025 and it was then estimated to rise to EUR 411m by the end of 2025. Correspondingly, the maintenance backlog for railway bridges was estimated to be EUR 90m at the beginning of 2025 and it was then estimated to increase to EUR 98m by the end of 2025.

Kreate is the market leader in demanding bridge construction and repair projects in Finland. Nearly without exception, the company's bridge projects involve crossing a waterway and/or there is a railway alongside a bridge to be built or repaired. Based on public statistics on the construction sector and freely available business register information, there are only a few companies able to carry out demanding bridge construction and repair work in Finland.

<sup>4</sup> "Liikenneväylien korjausvelka 2025", Finnish Transport Infrastructure Agency's publications 61/2025 (in Finnish).

Kreate has several references on demanding bridge construction projects which have been completed in recent years. As part of the Crown Bridges consortium, Kreate built two large bridges: Finken Bridge and Kruunuvuori Bridge, which is the largest and highest bridge in Finland. In terms of value, however, the biggest bridge project in Kreate's history is the refurbishment project of the Kirjalansalmi and Hessundinsalmi bridges carried out in 2022–2026, where Kreate renovated new large bridges over water in the archipelago of Parainen and Kaarina. Kreate's next large bridge projects include the Kurkela-Kuusisto project and the renovation of the Junatie metro bridge in Helsinki, which is still in the pipeline. Kreate has received several bridge awards. For example, Isoisänsilta (Grandfather's Bridge) connecting Kalasatama and Mustikkamaa received the Bridge of the Year 2017 award and the Tornionjoki railway bridge refurbishing received the Bridge of the Year 2025 award.

### **Kruunuvuori Bridge**

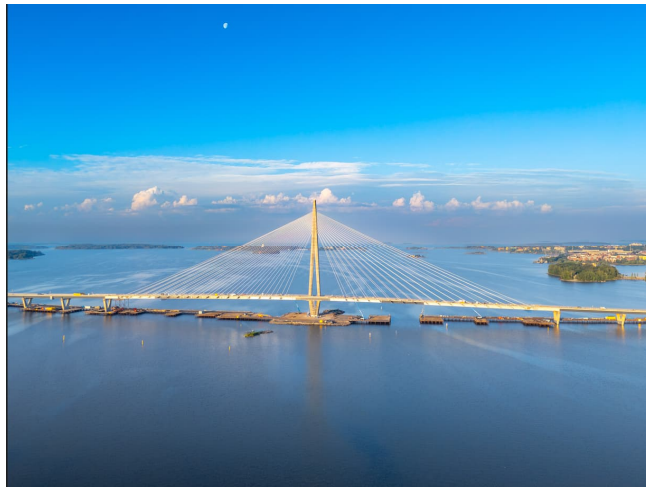


Image source: City of Helsinki (photo by Jarno Haanpuro), <https://kruunusillat.fi/hanketieto/materiaalipankki/>.

### **Kirjalansalmi**



**Isoisänsilta (Grandfather's Bridge)****Tornionjoki Bridge**

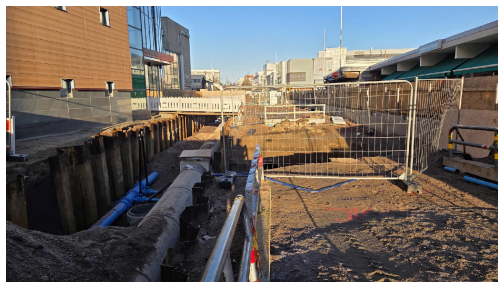
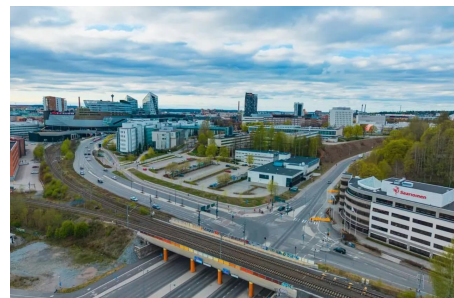
## Road and street construction

Road and street construction can be divided into construction and maintenance. We estimate that construction accounts for around EUR 1.8–1.9bn per year and believe that it is divided rather evenly between road and street construction. According to the Finnish Government's updated budget proposal for 2026 (March 2026) the gross costs of road maintenance in 2026 are EUR 768m<sup>5</sup>.

Road and street construction projects are usually carried out in cooperation with another business (for example, foundation and engineering construction). Kreate aims to allocate the resources of road and street construction to projects which include demanding elements. In practice, the company is not competitive in a road project where a straight road is built between a starting and end point.

One example of cooperation in road construction with another business is the EUR 78m Kurkela-Kuusisto project, which includes new road construction along nine bridges as well the widening of an existing road. Kreate will also participate in the Viinikankatu and underground road connection project in Tampere (EUR 28m) in which a new tunnel opening will be constructed, Viinikankatu will be widened and street and road connections and junctions will be reorganised to accommodate future underground solutions. The project combines specialised foundation construction, concrete tunnel construction, transport network construction and future rock tunnel connection solutions into one entity. The construction works are carried out in close proximity to busy traffic and sensitive structures, requiring careful planning and on-site coordination.

In Vantaa, Kreate will renovate one of Vantaa's busiest pedestrian streets, Tikkuraitti in Tikkurila, by building the streets (Tikkuraitti and Orvokkitie) and water supply and the water supply at the crossing of Talvikkitie and Peltolantie. The site covers many underground structures, such as water and sewage pipes. To prevent sinking, water supply will be built on pile-supported slabs and excavations will be supported with sheet pile walls. The value of the project is around EUR 8m.

**Tikkuraitti****Viinikankatu**

<sup>5</sup> <https://budjetti.vm.fi/index.jsp> (in Finnish)

## Rock construction

Underground rock construction covers the excavation and reinforcement of rock caverns as well as the construction of the space to its final condition according to the intended use. Typical examples of underground rock engineering include underground transport infrastructure (road and rail tunnels and underground parking facilities), (waste)water and energy supply infrastructure as well as other safety-related projects. In our view, the market outlook for underground rock construction in Finland is positive well into the future. Customers in the public and private sectors have strong determination to take underground existing infrastructure that is important for the functioning of society. The electrification and digitalisation of society also require sizeable investments in electricity and data transmission capacity in Finland and between the Nordic countries, for example. We believe that one purpose of projects related to internal security is to enable protection and storage, and they therefore have a clear connection to rock construction. Major transport infrastructure projects often involve the construction of tunnels.

Kreate expanded to underground rock engineering by acquiring SRV Infra Oy at the end of 2025. In connection with the transaction, Kreate and SRV Group Plc also concluded a multi-year framework agreement which covers rock, foundation and concrete construction for building construction as well as other infrastructure construction covering all forms of projects.

We believe that SRV Infra's order book contained two particularly significant orders at the time the acquisition was completed. One of these projects is classified and no further information is available. The other project is related to the construction of the Laakso Joint Hospital in Helsinki, where work started in 2022. The main contractor of the hospital project is SRV.

Laakso Hospital is one of the largest hospital projects in Finland, and it involves building a psychiatric and somatic hospital in the Laakso area. The project includes extensive underground works, including tunnel excavation. A maintenance floor of the hospital, parking facility for 550 cars and a logistics tunnel of around 800 metres connecting the hospital areas of Meilahti and Laakso will be constructed underground.

One of the images shows the Blominmäki wastewater treatment plant, where SRV Infra Oy (now part of Kreate) has been carrying out excavation, sealing and reinforcement of sewer tunnels and a pump station cavern as well as structural works.

### Examples of rock engineering projects: Laakso Joint Hospital and Blominmäki wastewater treatment plant



## Railway construction

Kreate's rail construction service offering covers construction and repair work related to railways, railway yards, tramways and metros. The rail construction business also supplies electrical and safety equipment. The most important customer in railway construction is the state. In practice, the customer is the Finnish Transport Infrastructure Agency, which orders contracts for VR Group's railways. In projects related to tramways and metro lines, the customer is usually a municipality or a municipal transport company.

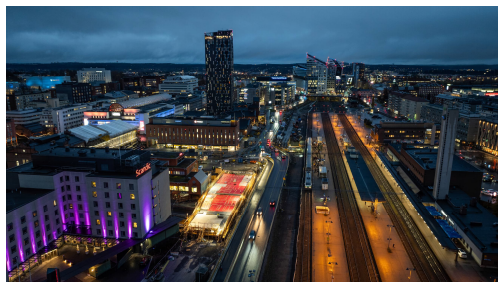
The largest railway project under planning in Finland is Länsirata (high-speed railway connection between Helsinki and Turku). The project is planned to be implemented in five parts. According to a preliminary estimate presented by the Ministry of Finance and the Ministry of Transport and Communications, the project will cost EUR 3.4bn. An investment decision has not been made on the project and the timetable for its possible implementation is still open.

Several light rail projects have been implemented in Finland in recent years (Raide-Jokeri, Tampere tram, tram route 13), and some new light rail projects (Vantaa light rail, Pirkkala-Linnainmaa section of the Tampere tram, Espoo rail line) are under construction. One new major light rail project is being planned: the City Council of Turku decided in May 2026 on tramline construction. The decision is conditional on government funding being granted. The planned Helsinki City Rail Loop project is not currently active.

The biggest project in Kreate's history is the passenger rail yard project in Tampere worth EUR 192m. Its construction started in 2025 and continues until 2031. The value of the eastern section of the Vantaa tram (phases 1 and 2) is nearly EUR 125m and the work will continue until 2029. Besides rail construction, there are projects related to bridges, transport routes and foundation construction.

In addition to the projects in Tampere and Vantaa, major rail projects include the new tram depot in Koskela and the Helsinki–Riihimäki project. In the Koskela depot project, Kreate will deliver track and electrification works, the points control system, as well as circular economy solutions. The Koskela depot is planned to be taken into use in 2029. The total value of the contracts Kreate has received related to the Helsinki–Riihimäki project already executed/to be executed is almost EUR 100m.

**Tampere passenger rail yard**



**Eastern segment of the Vantaa tram**



## Specialised foundation construction (KFS Finland)

At Kreate, KFS Finland Oy is the expert in specialised foundation construction. Kreate owns 50% of KFS Finland Oy. KFS is the market leader in specialised foundation construction in Finland. Its operations cover comprehensive ground reinforcement solutions, ranging from retaining structures, anchoring and foundation reinforcement to drilled and driven piling, as well as jet grouting and stabilisation. From 1 April 2026 onwards, KFS is reported as a subsidiary of Kreate. KFS is a key part of Kreate's specialised offering. In 2025, KFS was involved in a quarter of Kreate's projects in Finland.

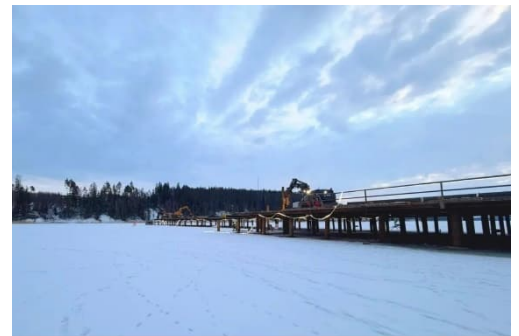
Together with Kreate, KFS Finland carries out the construction of a new floodgate for the Kelukoski hydropower plant for Kemijoki Oy in Sodankylä. The project includes demanding solutions for specialised foundation construction, such as permanent and temporary drilled pile walls as well as embankments, which allow for construction related to an operational power plant.

KFS is also involved in the almost EUR 80m Kurkela–Kuusisto project in Kaarina, where new road sections and nine bridges will be built, including the almost 400-metre Auvaisberg Bridge over Kuusistonsalmi. In the project with demanding ground conditions, KFS brings strong expertise in specialised foundation construction especially in solutions related to the management of soft ground, rock conditions and groundwater pressure.

### Kelukoski



### Kurkela-Kuusisto



## Circular economy business

Kreate also has circular economy operations. The company accepts soil and materials at its recycling stations. The received material is processed and the resulting new material is used at the construction sites of projects. Secondary raw materials are also sold. Some of the raw materials received by the company's circular economy business are classified as waste which means that Kreate receives compensation for receiving them. Revenue from the circular economy business is reported as part of the Other business area, which represented 1.9% of the Group's revenue in 2025 (2024: 1.3%).

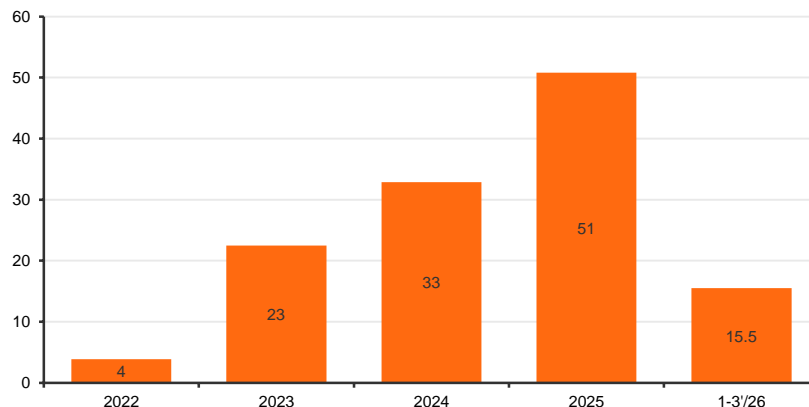
## Swedish operations

Kreate entered the Swedish market in 2022 by acquiring the entire share capital of Bror Bergentreprenad AB, which specialises in underground infrastructure construction. The seller, Veli Taatila, is still involved in the company's operations and owns 25% of Kreate Sverige Ab. Kreate aims to grow in the Swedish infrastructure market and especially in technically demanding infrastructure construction projects in the Stockholm region. Sweden accounted for around 15% of the company's revenue in 2025, and according to the company, revenue from Swedish operations grew by almost 50% in 2025.

In Sweden, Kreate operates primarily in the Greater Stockholm and Gothenburg areas. We believe the company has limited interest in industrial projects in northern Sweden and that southern Sweden will remain its business focus. We are under the impression that the majority of public infrastructure projects already decided for the next decade will be located in southern Sweden. Kreate aims at revenue of SEK 650m in its Swedish operations by 2027. So far, Kreate has not been selected as the main contractor in Swedish infrastructure projects but it has worked as the main contractor's subcontractor. We believe that this has been the natural outcome stemming from the size of the Swedish organisation. Based on our talks with the company's management, we are under the impression that the company aims to be regularly chosen as the main contractor in infrastructure projects in Sweden, at least in the medium term.

The Swedish infrastructure market is roughly twice the size of the Finnish market, with an estimated annual value of around EUR 20bn. Based on industry statistics, we estimate that Kreate's potential market in Sweden is around EUR 4–5bn per year. Kreate estimated in connection with its Q4 2025 report that its relevant market in Sweden has grown to EUR 5bn, including larger projects as a main contractor.

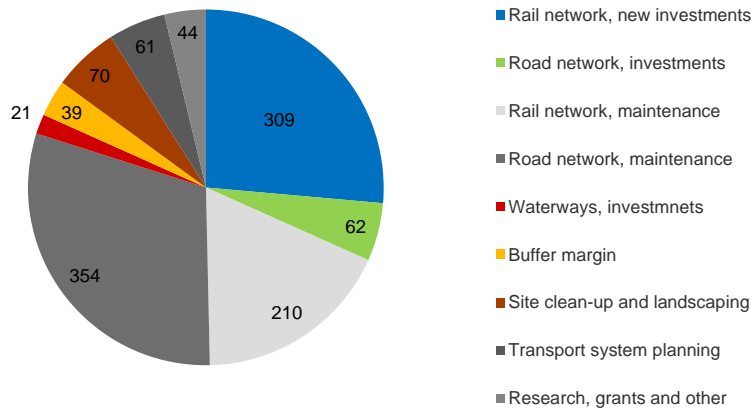
**Revenue from Swedish operations 2020-2026, EUR million**



Source: OP Markets and Kreate, year 2026 only covers the first quarter

We estimate that the Swedish infrastructure market’s growth outlook is strong well into the future. Over the past few years, the Swedish government has approved extensive, multi-year investment and action programmes related, among other things, to the construction and modernisation of road, rail and railway transport. In September 2025, the Swedish Transport Administration Trafikverket, which is responsible for transport system development in Sweden, published a detailed plan for developing the country’s road and rail network. The size of the investment programme is SEK 1,171bn and it will be implemented in 2026–2037 (Trafikverket: ” Förslag till nationell plan för transportinfrastrukturen 2026-2037”).

**Swedish transport infrastructure programme, SEK billion**



Source: Trafikverket and OP Markets

Kreate Sverige offers services for demanding infrastructure and underground projects related, for example, to tunnels and the construction, interior work and repair of rock shelters. Its services cover, for instance, concrete structures, lining and piping for rock caverns. The company also has experience in demanding renovation and alteration work.

According to Kreate, it has become the largest provider of interior lining for tunnels in Sweden. In March 2026, the company announced that it had won its first tunnel project in Norway as part of the large E10 Hålogalandsvegen road project in Northern Norway. The project includes interior lining of tunnels and takes the company’s Swedish team to Norway to do similar work for a familiar customer. According to the company, this is a strategic opening during which it will assess more closely the local market and the possibilities to establish a permanent business in Norway. The company estimates that the tunnel construction volume in Norway is 5–10 times higher than in Sweden. The potential value of the agreement, including options, was around EUR 6.2m.

Kreate Sverige’s Lovö project consists of the interior construction of the ramp tunnels for the Stockholm bypass (Förbifart Stockholm E4). The project is related to one of Sweden’s largest infrastructure projects in which a major part of transport routes will be built in tunnels, and it supports the company’s position in demanding tunnel interior construction in Sweden. Kreate’s share of the project was SEK 98m, which corresponds to around EUR 9m.



## Finnish Transport Infrastructure Agency's investment programme for 2025–2032

The Finnish Transport Infrastructure Agency, which is responsible for the development and maintenance of the road network, railways and waterways, has a public project register of planned and ongoing transport network projects. The Finnish Transport Infrastructure Agency also has an investment programme for the implementation of new rail, road and waterway projects and for assessing their impacts. The most recent investment programme published by the Finnish Transport Infrastructure Agency covers the years 2025–2032. The financial framework of the investment programme is EUR 2.8bn for development projects and EUR 744m for infrastructure maintenance projects. The investment programme does not include ongoing, completed or already funded projects.

The following table shows examples of projects in the different categories of the investment programme.

### Examples of projects covered by the Finnish Transport Infrastructure Agency's investment programme (2025-2032)

Priority	Project	Cost (EUR million)
<b>TEN-T core network improvement</b>		
1	E18 kt 40 Turku ring road at the centre of Raisio	235
2	Vt 4 between Kehä I-Kehä III and Ilmasilta interchange, Helsinki	147
2	Vt 4 at Vestonmäki, Toivakka	11
2	Vt 4 at Vaajakoski, Jyväskylä	225
<b>Improvement of other main arteries</b>		
1	Vt 9 Tampere-Orivesi 1. phase (between Alasjärvi-Käpykangas)	114
2	Vt 15 Kotka-Kouvola	158
3	Vt 2 improvement at the centre of Pori	72
3	Vt 25 Hanko-Mäntsälä 1. phase	106
<b>Other road network improvement</b>		
1	Vt 11 Koivisto bridge and Pikkuhaara bridge, Pori and Ulvila	16
1	Vt 27 Southern flyover at Ylivieska	14
1	Kt 50 Kehä III at Espoonkartano (dip repair), Espoo	33
3	Vt 5 Kitinen bridge, Sodankylä	19
<b>Railway network development</b>		
1	Helsinki-Riihimäki 3. phase	244
2	Helsinki-Tampere renovation	375
2	Luumäki-Joutseno, capacity improvement and speed upgrade	262
2	Turku-Uusikaupunki renovation	140

Source: Finnish Transport Infrastructure Agency, prioritisation scale 1-3

## Public funding lends significant support to demand in the sector

Approximately 70% of Kreate’s customer invoicing comes from public sector projects. This brings predictability to operations as we estimate that demand in the public sector is relatively stable and independent of economic cycles. Moreover, infrastructure projects have typically been utilised actively in economic policy to balance cyclical fluctuations, which means that public sector projects have been launched at an accelerating pace during an economic downturn.

Finland’s first-ever national transport system plan was prepared for 2021–2032. The purpose of the plan is to improve the long-term consistency of transport policy. The National Transport System Plan includes an analysis of the current status and operating environment of the transport system, a vision on its development until 2050 and targets for the transport system plan. The plan includes a 12-year action plan which covers measures by the government and municipalities as well as the government funding programme for the transport system.

In our view, the transport system plan provides a good overview of the state’s long-term targets for developing transport systems and an estimate of the amount of money planned to be spent on the basic transport infrastructure maintenance and development. In the first transport system plan, the annual budget for basic transport network maintenance was around EUR 1.4bn, while the annual development budget was around EUR 0.5bn - a total of around EUR 1.9bn.

Pursuant to legislation, the national transport system plan is updated during each government tenure. The Finnish government approved an updated transport system plan covering 2026–2037 in December 2025 and issued it to the Finnish parliament on 18 December 2025. Minister of Transport and Communications Lulu Ranne commented the transport system plan in connection with its publication as follows:

“The plan takes into account the changed security environment and focuses especially on military mobility. The plan will use every euro wisely so that scarce tax revenues are allocated smartly and efficiently to Finland’s most critical transport projects. It strengthens safety and security and supports the economy and employment as it responds to the needs of people, businesses and comprehensive security.”<sup>6</sup>

Regional characteristics in the implementation of Transport 12 plan	FUNCTIONALITY	SAFETY	SUSTAINABILITY
<b>NORTHERN FINLAND</b>	The needs of cross-border and international transport, as well as the sustainable use of natural resources, while considering tourism, nature and local economic activity.	Military mobility requirements.	Making use of the existing transport network (including private roads) to ensure good conditions for mobility (incl. private roads).
<b>EASTERN FINLAND</b>	In particular, the needs of industry and tourism, including international accessibility, taking into account, for example, regional waterways.	Reliability and safety of industrial transport.	
<b>WESTERN FINLAND</b>	Accessibility of international transport hubs and the needs of cross-border transport.	Security of supply in international transport chains.	Using travel chains to promote sustainable transport.
<b>SOUTHERN FINLAND</b>	Good functioning and predictability of international travel and transport chains in various environments such as archipelagos.	Smooth operation of international transport chains and the security of supply at major hubs and their connections to remote areas.	Effective use of the transport system and community infrastructure in public transport and in travel between urban areas.
<b>CITIES THROUGHOUT THE COUNTRY</b>	Smooth flow of travel within regions and seamless connections to international transport hubs.	In particular, enhancing road safety as well as the resilience of the transport system.	Developing a transport system based on sustainable mobility, alongside broader sustainable community infrastructure, while considering the strong emissions reduction potential.

<sup>6</sup> <https://lvm.fi/en/-/updated-transport-12-plan-aims-at-safe-secure-efficient-and-sustainable-transport-system>

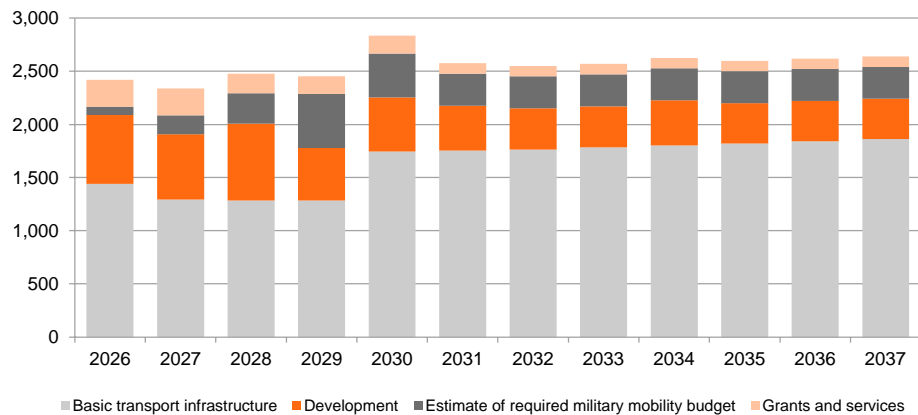
In practice, the Finnish Transport Infrastructure Agency plays a major role in implementing the transport system plan. The Finnish Transport Infrastructure Agency compiles an investment programme for the national transport network on the basis of the transport system plan and a transport system analysis, which will be utilised in preparing the government's budget proposals. The Finnish Transport Agency estimates that the amount of the government's maintenance backlog on transport infrastructure was around EUR 4.2bn at the beginning of 2025. Of the said amount, around EUR 2.6bn is related to roads, around EUR 1.6bn to railways and EUR 30m to waterways. For example, the Finnish Transport Infrastructure Agency estimates that a paving programme of around 4,000 kilometres per year is needed to halt the increase in the maintenance backlog for road paving.

The state's transport network consists of the road network, the rail network and waterways. This means that the use of funds is divided between the maintenance of the basic transport infrastructure to keep the existing transport network in shape and development of the transport network.

- According to the transport system plan, the annual funding for basic transport network maintenance is around EUR 1.4bn in 2026 and thereafter around EUR 1.3bn in 2027–2029. The funding framework for basic transport network maintenance in 2030–2037 is estimated to be EUR 1.7–1.9bn per year.
- In 2026–2028, 50% of the funding for basic transport network maintenance will be allocated to roads, 27% to railways, 10% to waterways and 13% to traffic control ('traffic control service fee').
- The state will allocate around EUR 730m in 2026 to the development of the transport network, around EUR 794m in 2027 and around EUR 1.0bn in 2028. In 2030–2037, the average budget requirement for transport network development is said to be around EUR 724m on an annual basis. The budget requirement for transport network development includes the estimated funding need for military mobility.

The planned funding level is rather stable in the coming years, which in our opinion increases predictability in terms of Kreate's business as regards the state's long-term targets. The state's share of the company's invoicing was around 50% in 2024 and around 46% in 2025. For Kreate, the key parts of the government's action plans are related to the budget allocations for transport network development. In addition to maintenance, basic transport network upkeep also includes repairs and improvements, which is an area where Kreate is active. There are sizeable allocations to railway projects.

**Budget appropriation requirements for transport in the State's budget, EURm**



Source: Finnish government and OP Markets

Agreements on Land use, Housing and Transportation (MAL) between the Finnish state and the largest urban regions set a framework for developing urban regions. The purpose of the agreements is to facilitate and support the cooperation between municipalities in urban regions and between municipalities and the State in the guidance related to the urban structure and coordination of land use, housing and transport. MAL agreements are made for 12 years at a time and they are reviewed every four years. According to our interpretation, this means that the measures are agreed for four years at a time and each government undertakes to finance the measures from their budget. The ongoing MAL agreement period covers 2024–2035 and it has been signed with Helsinki, Tampere, Oulu, Turku, Kuopio, Jyväskylä and Lahti regions. More than half of the Finnish population (55%) lives in these seven urban areas. In 2024, the agreements were updated for 2024–2035 and the measures for 2024–2027.

The state's role in MAL agreements is to allocate funding to municipalities for launching investment projects. The state is committed to sustainable mobility projects in 2024–2027 with funding of just over EUR 570m. In addition, MAL agreements also include road projects, which will be funded by almost EUR 300m in addition to the financing included in the MAL agreements. The funding of agreements on land use, housing and transport and the road projects included in them is part of the government's fixed-term investment programme, which is based on proceeds from the sale of state assets.

## Strategy

Kreate's ongoing strategy period covers 2024–2027. The company says that during the ongoing strategy period, it will focus especially on improving profitability and reaching the targeted 5% EBITA margin. According to our interpretation, the company aims to focus more fully on its core competence – it does not aim to participate in all possible bidding competitions and on the other hand, it is shifting its focus to larger project entities. Going forward, the company's projects will be larger and longer.

Kreate's primary core market is infrastructure construction in Finland, and its strategy is intertwined with the potential offered by the key market. The company focuses firmly on its core competence, and we believe that it is not planning to expand to new businesses. In our view, the strategy is compact and straightforward and it does not include any opportunistic assumptions about future market potential: the size of the market will depend on the public sector's ability and willingness to invest in infrastructure which is critical for the functioning of society. Meanwhile, economic cycles affect the private sector's investment potential. The company's strategy highlights strengthening of existing operations and deepening of special expertise. The company aims to make additional investments in its rail business and grow in selected business areas in Sweden. Revenue of the Swedish operations totalled EUR 50.8m in 2025, and the target is revenue of SEK 650m (around EUR 59m) by 2027. The strategy also includes carefully selected acquisitions (such as the acquisition of SRV Infra completed in 2025) and improving operational efficiency.

In line with its strategy, the company aims to be among the three key companies (TOP 3) in all of its operations. In Finland, Kreate is the market leader in bridge construction and repair, foundation and engineering construction and specialised foundation construction. Kreate's total market potential is discussed in more detail in section Market outlook.

In our opinion and based on numeric data describing the size of various companies' business, Kreate is well-positioned in the markets for its core businesses. In our view, the company's reputation and operating model are well recognised among relevant counterparties and construction partners. Consequently, the company is in a good position to expand to markets close to its current core market. According to material presented by the company, customer satisfaction is high (customer NPS of 86 in 2025), which in our view provides a solid basis for customer retention. In our opinion, Kreate is not a company with an exceptionally high profile of recurring organic growth, and as defined by the company in its strategy, its operations will be more selective in future and aim at higher profitability. The company demonstrates disciplined capital allocation (incl. net working capital management), while the business is also resilient in weaker times, supported by a high share of variable costs.

## Acquisitions

Based on our talks with the company's management, we are under the impression that Kreate has clear criteria for acquisitions.

- The business of acquired companies must be financially sound. Kreate does not want to spend resources to achieve a major earnings turnaround in a company to be acquired.
- The aim is to commit the entrepreneur and/or key employees of the acquired company to the company. We understand that Kreate's employees are satisfied with the company, and good corporate culture makes it easier to integrate acquisitions.
- The acquired company must offer new expertise or competence into Kreate's current competence portfolio. In our view, volume growth is not the primary criterion for acquisitions.
- The acquired company must be in harmony with Kreate's strategy, values and corporate culture.
- The acquired business must operate in a market with a promising growth profile. Acquisitions must support the realisation of the group's financial targets.

## Acquisition of SRV Infra

Kreate announced in October 2025 that it will acquire the entire share capital of SRV Infra, a subsidiary of the Finnish company SRV. The acquisition was completed on the last day of 2025 and it is the biggest acquisition during the company's history as a listed company. Underground rock construction forms the dominant share of the acquired company's business. The rest of the business consists of foundation and specialised foundation engineering. The transaction price, which takes into account the company's cash assets, was EUR 32m. Goodwill represented around EUR 22.6m of the transaction price.

### Assets and liabilities, goodwill and net asset from the acquisition of SRV Infra Oy

#### EUR million

Transaction price	<b>35.6</b>
Fixed assets	8.3
Receivables	13.3
Cash and cash equivalents	3.1
<b>Total assets</b>	<b>24.8</b>
Non-current liabilities	-0.2
Current liabilities	-11.6
<b>Total liabilities</b>	<b>-11.8</b>
<b>Fair value of the acquired company's net assets</b>	<b>13.0</b>
<b>Goodwill</b>	<b>22.6</b>

Source: Kreate and OP Markets

The acquired company's revenue in 2024 was EUR 52m and operating profit amounted to EUR 2.6m. SRV Group's internal customers accounted for EUR 29.1m of revenue, while projects carried out for the Group's external customers generated revenue amounting to EUR 23.1m.

SRV did not specify SRV Infra's performance separately in its interim reporting. Kreate published further information on the acquired company's financial performance in connection with its 2025 financial statements. In 2025, the acquired company's revenue totalled EUR 88.5m, with FAS-compliant EBITA at EUR 7.8m. The order book of the acquired company stood at EUR 79.3m at the end of 2025. According to our calculations, the transaction price corresponded to an EV/EBITA multiple of just under 5 based on the 2025 figures.

Underground rock construction covers the excavation and reinforcement of rock caverns as well as constructing the space to its final condition according to the intended use. Typical examples of rock engineering include underground transport infrastructure (road and rail tunnels and underground parking facilities), (waste)water and energy supply infrastructure as well as other safety-related projects. In our view, the market outlook for underground rock construction in Finland is positive well into the future. Public and private sector stakeholders are strongly committed to undergrounding existing infrastructure that is critical to the functioning of society. The electrification and digitalisation of society also require sizeable investments in electricity and data transmission capacity in Finland and between the Nordic countries, for example. We believe that one purpose of projects related to internal security is to enable protection and storage, and they therefore have a clear connection to rock construction. According to our understanding, the acquisition of SRV Infra makes Kreate a relevant competitor to the two largest players in the business, YIT and Skanska.

We believe that SRV Infra's order book contained two particularly significant orders at the time the acquisition was completed. One is the project related to the construction of the Laakso Joint Hospital in Helsinki, which started in 2022. The other project is classified and no further information is available.

Improving operational efficiency is also one of the cornerstones of strategy. Kreate has been able to grow in a profitable manner in recent years, its organisation is relatively lean, and we estimate there is practically no potential for one-off cost-driven earnings improvement. The company has a performance-based bonus scheme that covers the whole personnel. It brings a flexible component to personnel expenses in weaker years, lightening the cost structure. On the other hand, the performance-based bonus scheme makes the personnel committed and encourages them to reach the targets set for projects.

Processes can always be optimised to increase efficiency. The aim is to continuously improve the technical expertise of employees so that even the most demanding processes can be conducted on a broad scale. Expanding the use of digital tools (BIM, Building Information Modelling) also improves efficiency and reduces potential errors. Infrastructure construction requires versatile and relatively expensive equipment, and optimising the life cycle and utilisation rate of the equipment is an essential part of operational efficiency.

## Change in KFS Finland Oy's shareholders' agreement

Kreate owns 50% of KFS Finland Oy (KFS), which is the market leader in specialised foundation construction in Finland. In 2024, KFS's revenue was EUR 71.38m and operating profit was EUR 0.93m. The UK-based Keller, which owns the other half of KFS, is a listed company reporting revenue of around GBP 3.1bn for 2025. Kreate and Keller founded KFS in 2012 and have since owned the company with equal stakes of 50%.

Kreate announced in March this year that the shareholders' agreement between Kreate and Keller has been amended as a result of which KFS is reported as a subsidiary starting from Q2 2026 and consolidated into Kreate's income statement and balance sheet. Previously, Kreate recognised its share of KFS's earnings under income from associated companies. In other words, revenue from KFS has not been consolidated into Kreate Group's figures before April this year.

Kreate estimates that the consolidation of KFS will increase Kreate's revenue for 2026 by approximately EUR 30m. Going forward, profit attributable to Keller will be accounted for as a non-controlling interest. This means that, other things being equal, the arrangement will increase Kreate's operating profit but not the profit for the financial period.

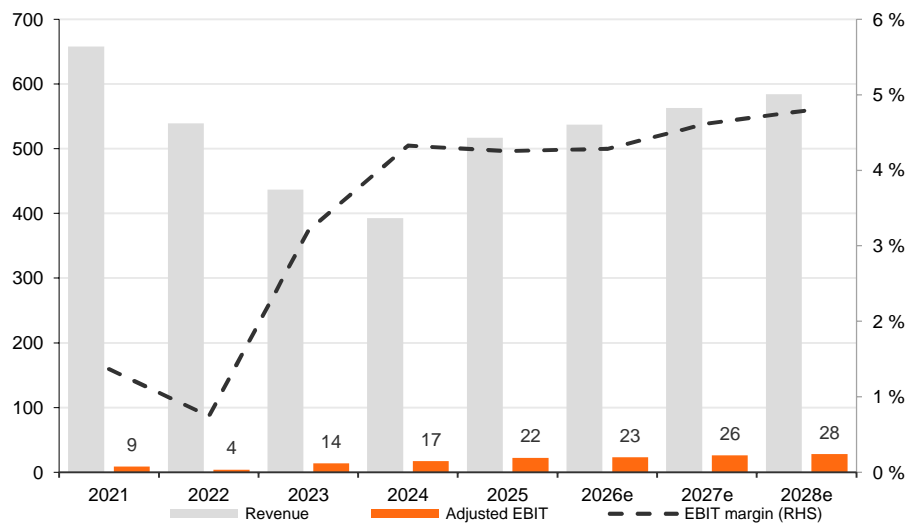
Based on our talks with Kreate's management, we are under the impression that the shareholders' agreement was amended due to the fact that KFS's growth will require faster response times than previously regarding some operational functions. KFS will continue to operate as a company separate from Kreate, and we have understood that it can also carry out subcontracting for Kreate's competitors. In 2025, KFS was involved in approximately 25% of Kreate's projects in Finland.

## Key competitors

The competitive field of infrastructure construction is rather heterogeneous. There are large, listed companies (YIT, Skanska and NCC) which also have a sizeable volume in other areas of construction as well as large companies specialised solely in infrastructure construction, such as Kreate and GRK. Furthermore, some of the companies in the field of infrastructure construction concentrate on a specific area and thus have a rather limited offering. The sector also has a considerable number of smaller local companies/entrepreneurs which may offer subcontracting services to larger companies in the industry. It is typical of the sector to use local subcontractors which already have equipment capacity in the project area, and it is also sensible and economical to source materials (concrete) close to the worksite. Due to the nature of the sector, local and relatively small companies can also operate in the infrastructure market.

Of Kreate's key Finnish competitors, YIT and GRK Group (GRK) are listed companies. We see GRK as a more relevant peer among these companies compared to YIT. The reason for this is that GRK has large-scale business in foundation and concrete construction, bridge construction, construction of roads and streets as well as rail construction. YIT has large operations in residential construction and the construction of commercial and public buildings. Infrastructure construction represented around 29% of YIT's revenue in 2025 (2024: 22%). YIT has set three financial targets for its Infrastructure segment for 2025–2029. These are: achieving compound annual growth of at least 10% and adjusted operating profit margin of at least 6%, as well as continuously operating with negative capital employed. YIT upgraded its growth target in early 2026 (prev. > 5%) due to the developments in industrial and energy construction being more positive than previously estimated, supported in particular by data centre construction.

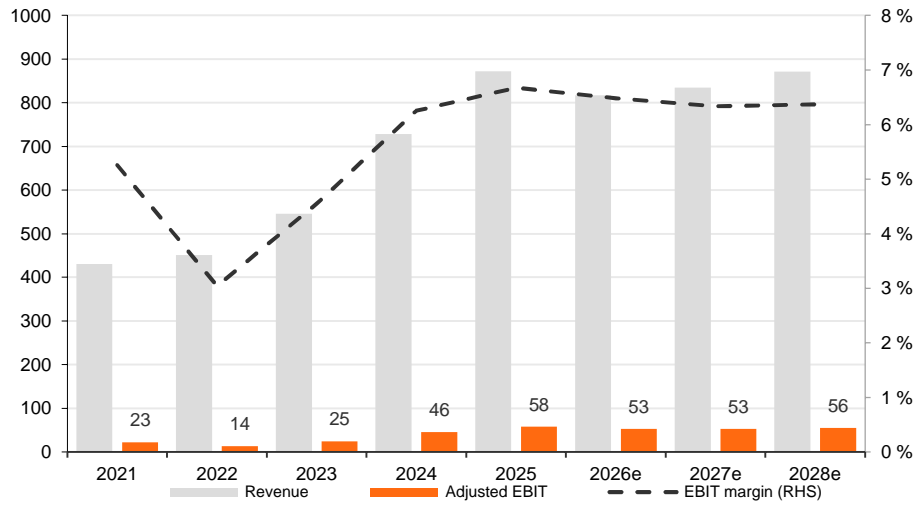
**YIT Infra - revenue, adjusted EBIT and EBIT margin**



Source: YIT and OP Markets, 2026-2028 estimates based on Vara Research consensus

GRK was listed on Nasdaq Helsinki's pre-list through an IPO (around EUR 113m) on 2 April 2025 and moved to the main list on 4 April 2025. GRK has grown rapidly in recent years – the company's revenue (2025: EUR 872.3m) has doubled over the past four years and its adjusted EBIT margin has been in the range of 3–6.7% over the past five years. We estimate that GRK's recent revenue growth has been largely organic and based on winning large projects, among other things.

**GRK - revenue, adjusted EBIT and EBIT margin (RHS)**



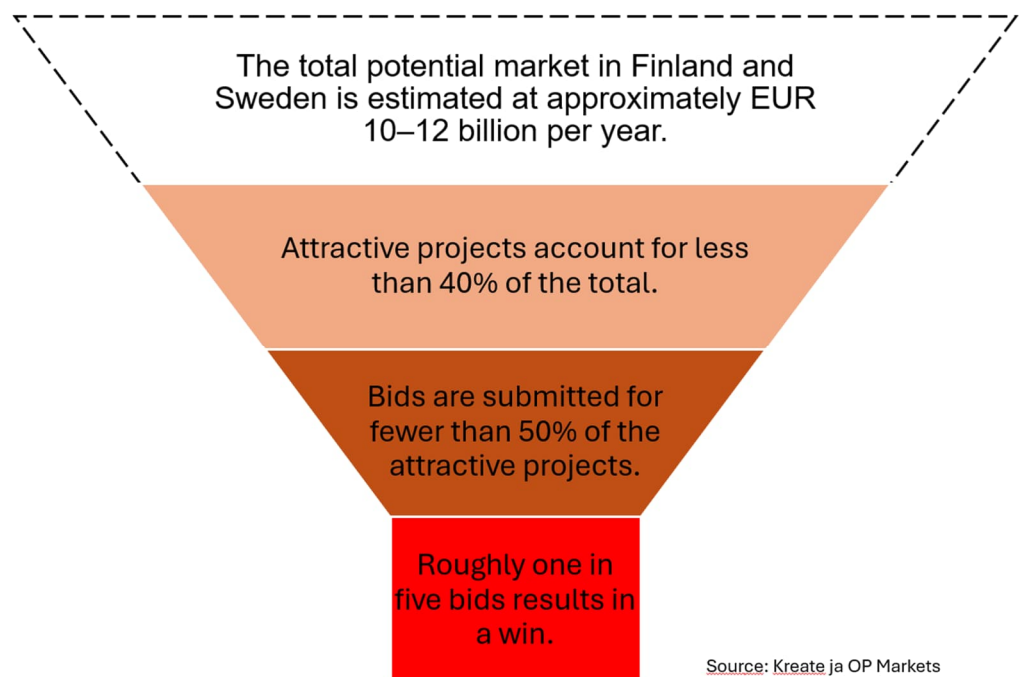
Source: GRK and OP Markets, 2026-2028 estimates based on Modular Finance consensus

GRK’s Board of Directors confirmed the company’s updated strategy for 2025–2028 at the end of 2024 and published new financial targets in connection with the listing. Among other things, the company aims at revenue exceeding EUR 950m by 2028, adjusted EBIT margin exceeding 6% over time and return on capital employed exceeding 20% over time. According to our analysis, revenue of EUR 950m in 2028 would correspond to average revenue growth (CAGR) of 2.9% in 2026–2028.

## Project business in practice

Kreate's operations are not based on a standardized and homogeneously recurring project model. All of Kreate's project tenders and deliveries are customised and uniquely designed based on the customers' needs. We see effective allocation of personnel across projects as a key success factor in project-based operations, underpinning timely execution, margin delivery and working capital usage in line with plans.

Based on management discussions, we have understood that Kreate rarely bids for the simplest infrastructure projects. In this case, simplicity could mean building a straight road in flat terrain or carrying out renovation work on a small bridge for pedestrians and cyclists. The company's strategic goal, which steers the allocation of resources, is to work on more challenging infrastructure projects in which the personnel's experience, project expertise and appropriate equipment are used to achieve the targeted profit margins.



In 2025, Kreate generated its revenue through more than 150 projects. Some of these projects were started and completed during the calendar year, while some projects generate revenue for several years. In some projects, the scope expands during execution, in which case the ongoing project adds to the gross value of the order book. KFS's revenue (which was not consolidated into Kreate in 2025) was also generated by just over 150 projects. We estimate that the average size of projects carried out by Kreate is EUR 4–5m, while KFS's average project size is around a tenth of this. Since KFS will be consolidated into Kreate's financial statements (as of 1 April 2026), we expect the average project size to almost halve compared to earlier. Smaller average size of projects is entirely a technical issue and it does not change the way the company's operations are organised.

## Major orders announced in 2025 and 2026

Project	Customer	Value (EURm)	Schedule
Tampere passenger railyard renovation, phase 1	Finnish Transport Infrastruct	40	2025-2026
Lovön tunnels, interior work, Stockholm	Trafikverket	13	2025-2026
Junatien metro bridge, Helsinki	City of Helsinki	50-70	2026-2027
Mt 180 Kurkela-Kuusisto	Finnish Transport Infrastruct	78	2026-2027
Vantaa tramway, Eastern phase 1	City of Vantaa	45	2026-2029
Vantaa tramway, Eastern phase 2	City of Vantaa	79	2026-2030
Taulumäki water tower	Alva-yhtiöt Oy	26	2026-2028
Helsinki-Riihimäki railway section (Purola-Nuppulinna)	Finnish Transport Infrastruct	40	2025-2028
Tampere passenger railyard renovation, phase 2	Finnish Transport Infrastruct	152	2026-2031
Viinikankatu, underground road connection, Tampere	City of Tampere	24	2026-2028

Source: Kreate and OP Markets

Infrastructure projects that are large in size and value involve risks of varying levels. It is a known fact that in Finland and Sweden, for example, several infrastructure projects executed with private funds have become insolvent in recent years. Kreate's exposure to potential project financing issues is limited by its early-stage involvement in projects. In practice, foundation construction, engineering and rock engineering are always a prerequisite for the construction of business and production facilities and buildings. Put simply, if financing problems occur later in a project, Kreate has most likely already been paid for its part of the work.

We believe that the aim of each project is to achieve at least a margin that enables meeting the group-level profitability target (EBITA margin > 5%). Based on our talks with Kreate's management, we are under the impression that the company also has some loss-making projects each year. We estimate that loss-making projects typically represent only a few per cent of projects completed each year. Projects can turn loss-making due to bidding inaccuracies, changes in site conditions (for instance, soil or rock conditions differing from expectations), or changes in material prices.

## Public sector projects

Public sector customers accounted for 63% of Kreate's revenue in 2025, while the share attributable to private sector customers was 37%. We believe that all orders Kreate receives from the public sector go through a public procurement procedure (excluding security-sensitive projects). Public procurement refers to buying and leasing goods and services as well as contracting and related planning, preparation, decision-making and monitoring functions.

The disclosing of public sector procurement documents is governed by the Act on the Openness of Government Activities. Parts of the procurement documents are publicly available. For example, requests for tenders, requests for supplementary information for tenders, purchase decisions and related reasoning and submitted tenders are publicly disclosed within time limits specified by the law. However, this does not mean that all procurement documents are automatically publicly available to everyone. Confidential information included in procurement documents is not publicly disclosed. In addition, tender documents are not public if they or their parts contain the bidder's trade secrets. A party participating in a bidding competition is obligated to specify the trade secrets included in its tender and to include any trade secrets in a separate attachment. We believe that trade secret restrictions offer bidders strong protection against the leakage of competitively sensitive information.

We have studied documents published through the public procurement service platform in Hilma related to public sector projects as well as documents published by various cities regarding their public projects. The following table presents, just as an example, the bidders and tender prices of one tender competition that Kreate won this year.

**Table: Viinikankatu and underground transport connection, Project 1 (Tampere)<sup>7</sup>**

**Viinikankatu and underground road connection, Project1 (Tampere)**

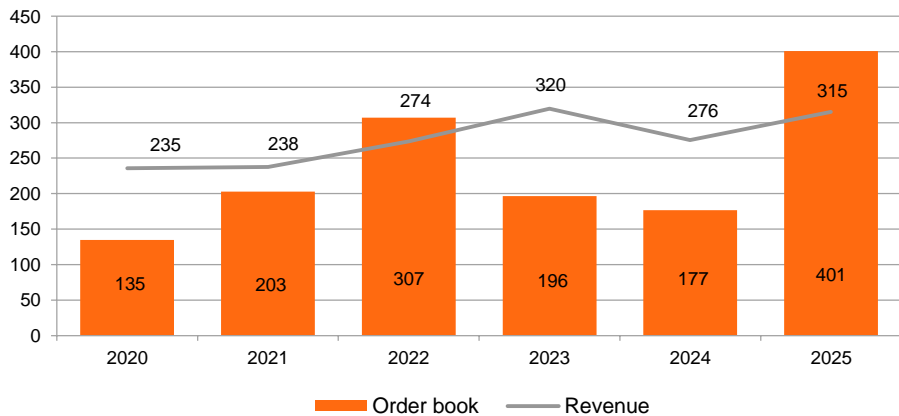
Bidder	Comparison price, excl. VAT EUR
YIT Infra Oy	25,954,778.37
Kreate Oy (subcontractors KFS Finland Oy and AFRY Finland Oy)	23,182,758.81
GRK Suomi Oy	23,407,483.58
Destia Oy (subcontractor Sweco Finland Oy)	24,046,597.50

Source: City of Tampere, deadline for tenders 14.1.2026 at 9:00

Revenue and orders

Kreate includes an order in its order book when a binding agreement has been signed. According to the company, the total value of projects/project shares in the pipeline was around EUR 400m at the end of 2025, with some of this recorded in the order book in Q1 2026.

**Order book and revenue at year-end, EUR million**



Source: Kreate and OP Markets, the bottom number for each year refers to the order book

<sup>7</sup> [https://tampere.cloudnc.fi/fi-FI/Viranhaltijat/Hankejohtaja/Viinikankatu\\_ja\\_maanalainen\\_ajoyhteys\\_Ur\(478597\)](https://tampere.cloudnc.fi/fi-FI/Viranhaltijat/Hankejohtaja/Viinikankatu_ja_maanalainen_ajoyhteys_Ur(478597))

Kreate’s revenue consist of customer contracts for various types of infrastructure construction. The company is not a project developer and it carries no project risk after the completion of projects. There is a broad mix of customer agreement types. For example, agreements can be based on a fixed-price model or the customer pays an agreed margin (a percentage of total project value) and part of any cost underrun. We believe that some agreements closely follow the standard terms for the construction sector (YSE). Agreement terms with private-sector customers show notable variability.

Revenue from agreements is recognised progressively as the work is completed. This means that income and expenses are recognised in the income statement according to the percentage of completion. Kreate determines the completion rate of projects by comparing actual costs with estimated total costs. Revenue recognition based on the percentage of completion balances project revenue flow and, in our view, it also increases the efficiency of project profitability control.

**Order book at the end of the quarter, EUR million**



Source: Kreate and OP Markets

The party implementing a project provides a project guarantee, which we understand is typically 10–15% of the project value. Such a guarantee secures the obligations agreed between the customer and the contractor for the duration of the project. Kreate uses external financing service companies for project guarantees and such guarantees do not tie up the company’s capital.

The customer typically makes an advance payment after which there are several payment milestones for a project, which are almost always based on actual costs. We estimate that prepayments account on average for less than 10% of the total project value, with the percentage being lower than average in projects delivered to public sector customers.

Kreate invoices project/contracting work from customers in several instalments, and we believe that invoicing varies depending on the customer and project. Kreate does not in principle finance its customers’ projects, whether through equity or debt, with project planning and execution structured to ensure that customer payments cover capital needs over the project lifecycle. In practice, this means that the sourcing costs of materials and supplies are covered by the customer’s payments and that the payment schedules agreed with Kreate’s subcontractors match the payment schedule between Kreate and the customer as well as possible. In some rail projects executed by Kreate, the customer is responsible for the sourcing of all supplies and raw materials and their delivery to the project site.

We believe that the company has well-functioning practices that enable quick responses when necessary, as well as comprehensive technical capabilities for systematic tracking of customer risks. According to our understanding, Kreate has not incurred project-related losses due to customer payment issues in recent years.

## Alliance contracting model

The Tampere passenger rail yard and Vantaa eastern tram projects follow the alliance contracting model. This means that the customer and the project's contractors are jointly responsible for project planning and construction. In the alliance model, the parties share the risks and returns of the project and operate within a joint project organisation. In our view, successful alliance models are characterised by close collaboration, good dialogue and a focus on project quality and transparent cost management. The alliance model is often used in more complex projects involving many uncertainties.

The parties to an alliance model determine together the target cost and compensation models applied to the project as well as risk provisions outside the target cost estimate. The contractor knows in advance the criteria used for determining its margin and the criteria for any bonuses to be paid from a joint incentive scheme. The alliance model binds its participants through to the project's post-completion liability period.

## Subcontracting

The use of subcontractors is a key part of Kreate's strategy, business model and business organisation. In our view, subcontractors provide flexible resourcing and often serve as long-term partners supporting the development of operating practices. Kreate also participates in projects as the main contractor's subcontractor.

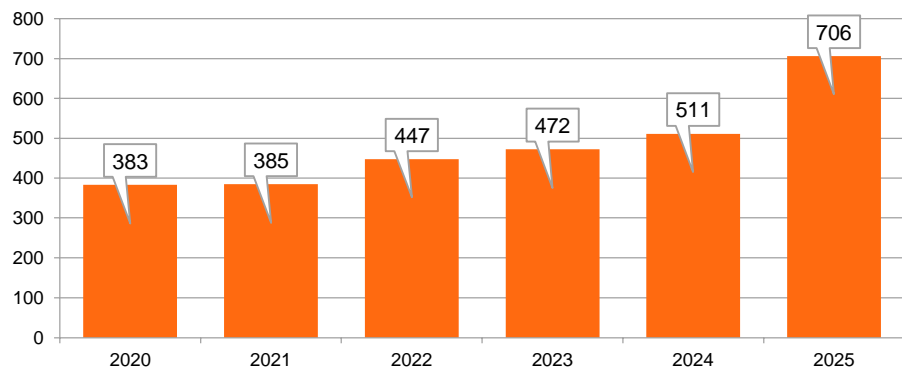
In practice, subcontractors are companies or entrepreneurs operating on construction sites. Subcontractors account for around half of the annual working hours at Kreate's sites. Kreate does not publish information on the subcontractors it uses or the related volumes. Based on our assessment, the total number of subcontractors engaged each year is significant, with substantial variation in the size of their business. The company's largest subcontractor is the joint venture KFS Finland. In 2025, Kreate incurred costs of EUR 9.3m and income of EUR 8.1m related to joint operations with KFS. The costs mainly consisted of purchased subcontracting, while income originated from equipment rental, among other things.

Each subcontractor operates under its own project-specific agreement detailing the agreed ways of working and responsibilities. Kreate prohibits its subcontractors from further subcontracting the work. Large projects are an exception, with subcontractors permitted to further subcontract the work by one additional tier. In our view, well-defined subcontracting rules, together with proper supervision, play a key role in fighting the grey economy and unethical practices in the construction sector.

## Personnel

At the end of 2025, Kreate had 706 employees. The number of employees grew organically by 90 people, and the acquisition of SRV Infra on the last day of 2025 increased the number of personnel by 105. Around half of the company’s personnel work on construction sites, while around half are office employees (project management, planning, tendering etc.). Labour needs in construction fluctuate with the economic cycle and seasonal factors. Kreate uses temporary lay-offs to adjust the number of personnel especially on construction sites. In Finland, the maximum duration of temporary lay-offs triggered by a temporary reduction in work is 90 days. Temporary lay-offs due to a permanent reduction in work may be of indefinite duration.

**Number of employees at year-end**



Source: Kreate and OP Markets

Kreate has a performance-based incentive scheme for employees, with the associated liabilities recognised as an expense in the year in which the qualifying work is performed.

The company also has share-based incentive and bonus schemes for its key personnel. The share-based incentive scheme is aimed at management team members. The share-based bonus scheme allows employees to transform a portion of their performance bonus into shares, to which a separate bonus coefficient is applied after a two-year commitment period. In the share-based bonus scheme for 2025–2027, the bonus coefficient is 0.5 (for two shares converted, one share is paid as a bonus). Currently, various share-based bonus plans apply to approximately 100 employees.

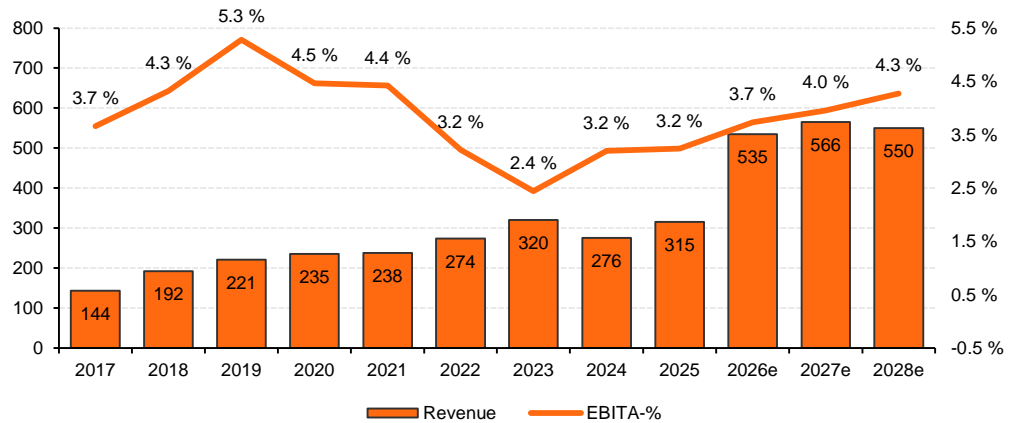
## Financial targets

Kreate's current financial targets for the strategy period 2024–2027 are:

**Annual revenue growth of 5–10%:** The company does not specify the split between organic growth and acquisitions in its growth target. For example, the company's revenue will grow considerably in 2024 as a result of the acquisition of SRV Infra. According to our estimate, average revenue growth (CAGR) was 11.9% in 2017–2025. We expect revenue to grow 69.6% in 2026 and 5.8% in 2027. Cost inflation of production inputs (materials, personnel, subcontracting) is a noteworthy factor in terms of revenue. We expect cost inflation to result in higher average monetary value of projects over time and other things being equal.

**EBITA margin >5%:** EBITA margin above 5% in the medium term. The company's profitability has been within the range of 2.4–5.3% in 2017–2025, and before the cost growth triggered by the war in Ukraine, the company systematically reached margins exceeding 4%. In the current strategy, profitability improvement plays a key role – in our view, the company's track record combined with the revenue growth outlook and the management's focus on profitability create a credible path to restoring the margin to 4–5%. However, we estimate that the 5% level will require support from market conditions: for example, when the demand for residential construction increases, reallocation of resources within the construction sector could moderate competition in infrastructure construction, which would support pricing power in tendering. We would also like to point out that the Swedish business has been more profitable than the operations in Finland in recent years, and the business area's growth should support the Group's margin performance.

Revenue and EBITA %



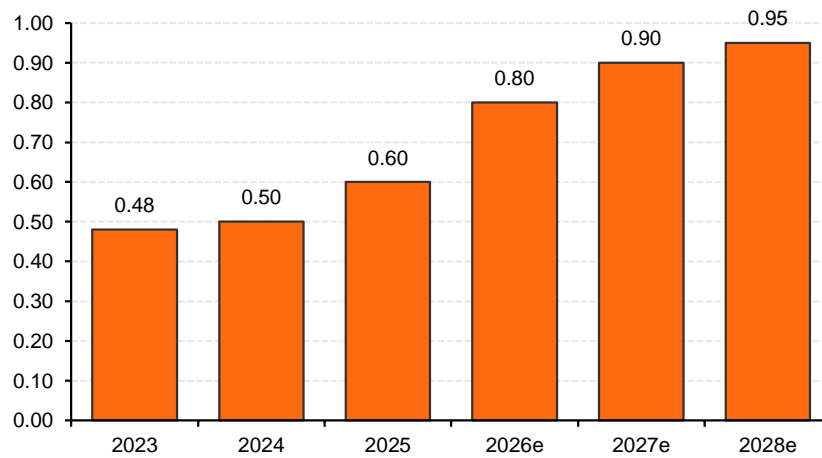
Source: OP Markets, Kreate

**Net debt/EBITDA <2.5:** At the end of 2025, Kreate's net debt amounted to EUR 35.9m and its net debt/EBITDA ratio was 2.0. Based on 2025 EBITDA (EUR 17.9m), we estimate that net debt could rise to around EUR 45m before the target level is exceeded. We estimate that Kreate will reach average revenue of EUR 550m in 2026–2028. If the company is able to simultaneously improve EBITA profitability in line with our forecast trajectory to 4.3% in 2028, we estimate that net debt consistent with the leverage target would be approximately EUR 85m at most. In our forecasts, net debt will gradually melt in 2026–2028 from EUR 36m to EUR 24m and net debt/EBITDA will melt from 1.2x in 2026 to 0.7x in 2028.

**Dividend policy:** The target is to pay out at least 50% of the profit for the financial year as dividends, while taking into account the financial position, cash flow and growth opportunities.

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#### Dividend



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Source: OP Markets, Kreate

## Net sales

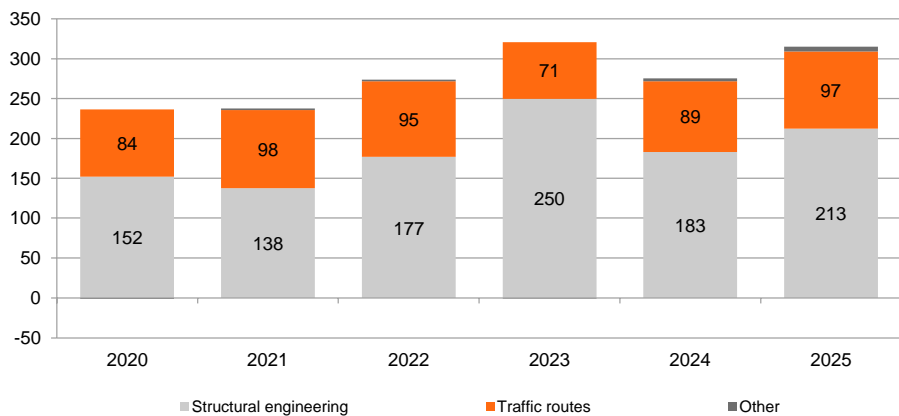
Kreate’s sales have grown faster than the infrastructure market. In 2017–2025, the company’s annual average revenue growth (CAGR) was 11.9%, from EUR 144m to EUR 315m. We estimate that growth (CAGR) in the Finnish infrastructure market was considerably smaller during the same period. We estimate that nearly 90% of Kreate’s growth in 2017–2025 was organic, while the rest resulted from acquisitions (the acquired SRV Infra business did not generate revenue in 2025).

Historically, the year-end order book has represented just over half of the following year’s revenue, and the rest has been generated from new projects won during the year. Of the order book at the end of 2025 (EUR 400.8m), EUR 286m (71.4%) was expected to be recognised as revenue in 2026. Of the order book at the end of 2024 (EUR 176.6m), EUR 118.9m (67.3%), was projected to be recognised as revenue over the subsequent 12 months.

The company’s order book grew considerably in Q1 2026. The company estimated in connection with its Q1 report that revenue of more than EUR 480m is expected to be recognised in 2026 considering the current order book, projects in the pipeline and some projects in the negotiation phase for which Kreate considers contract signing to be very likely.

The Group’s revenue breakdown covers structural engineering and traffic routes, but these are not separate segments in the company’s reporting. Structural engineering accounted for 69% and traffic routes 31% of revenue in 2025. Sweden’s revenue contribution amounted to around 16% in 2025, and it is reported as part of structural engineering.

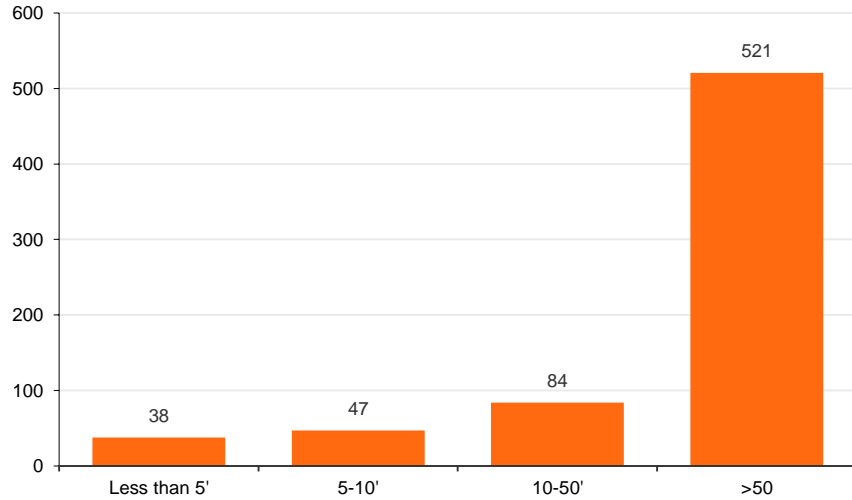
**Structural engineering and traffic routes, share of revenue, EUR million**



Source: Kreate and OP Markets

Individual contracts vary from a few hundreds of thousands of euros to projects totalling several tens of millions of euros. The following graph shows the company's order book breakdown at the end of Q1.

**Order book breakdown by project size, EUR million**

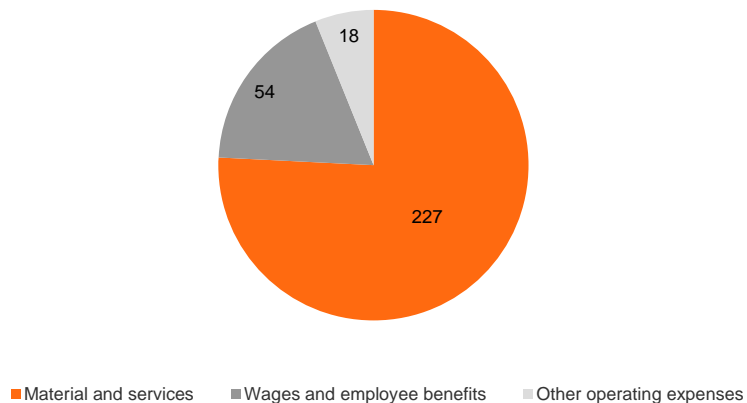


Source: Kreate and OP Markets

### Cost structure

Kreate divides costs into three categories – materials and services, personnel costs and other costs. In addition, the company's earnings performance is affected by other operating income, depreciations and financial expenses.

**Cost breakdown in 2025, EUR million**



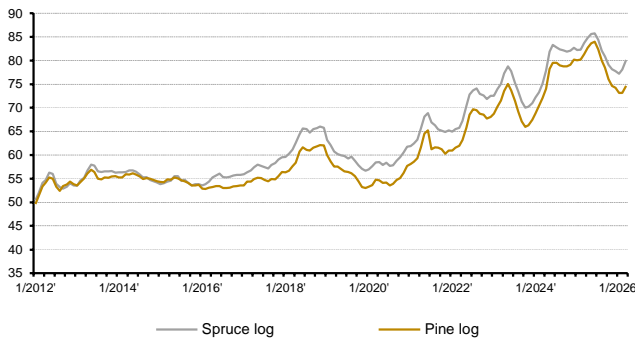
Source: Kreate and OP Markets

Materials and services form the biggest single cost item in Kreate's income statement. They corresponded to 72% of revenue in 2025. In 2025, purchases of materials and supplies amounted to around EUR 65.3m and purchases of external services totalled around EUR 157.3m. The said income statement line also includes minor short-term lease expenses (2025: around EUR 4.8m).

External services mainly consist of payments to subcontractors. In terms of value and volume, the most important sourced materials are steel, concrete and wood. We believe that the company aims to purchase materials for projects locally, at a reasonable distance from the project site. The steel and wood products used by the company are mainly standard off-the-shelf goods and they are primarily sourced from Finnish wholesale companies. Concrete and soil are sourced primarily from local companies. The price risk related to materials is taken into account in project agreements, for example, by linking price changes to an index. The advantage of a sourcing network including mainly local partners is that the company can react quickly to material needs suddenly arising during a project. Kreate does not have a centralised procurement function but project sites purchase materials directly from approved partners.

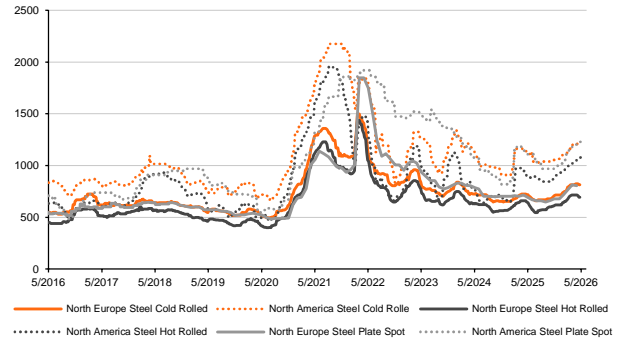
The graph below shows the price trends for pine and spruce logs in Finland and carbon steel plates in Europe. While Kreate does not buy saw log, there is strong correlation between the prices of saw log and sawn timber.

Saw log prices in Finland in 2012-2026



Source: Natural Resources Institute Finland, prices describe standing sales prices

HRC & CRC, North America and Europe (USD/t)\*



Source: OP Markets, Bloomberg

\*USA prices USD/t, Europe prices EUR/t

## Financial expenses and taxes

In 2025, Kreate's financial expenses amounted to EUR 2.2m and financial income was EUR 0.6m. In other words, net financial expenses totalled EUR 1.6m. In Q1 2026, financial expenses totalled EUR 0.7m while financial income was EUR 0.1m. In Q1 2026, the average cost of interest-bearing debt, excluding balance sheet lease liabilities, was 4.2%.

In our view, the financial expenses and balance sheet position in Q1 2026 will provide a sound basis for assessing the financial expenses trend in the coming years. We estimate that net financial expenses in 2026–2028 will be within the range of EUR 2.3–2.7m.

Finland accounts for around 85% of Kreate's revenue and Sweden roughly 15%. We are under the impression that the company's business is subject to a 20% corporate tax rate in Finland and a corporate tax rate of 20.6% in Sweden. The 2025 balance sheet includes EUR 4.0m as non-deducted interest related to earlier shareholder loans. These are included in the balance sheet as a deferred tax asset (at the end of Q1 2026, Kreate's deferred tax assets totalled EUR 0.9m). Under current Finnish tax legislation, there is no time limit for claiming the deduction.

## Balance sheet structure

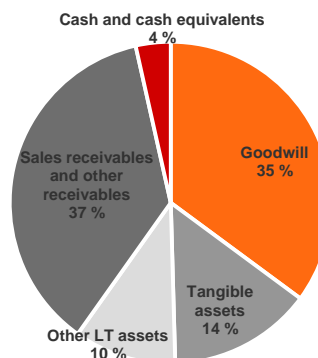
In deviation from traditional construction firms, Kreate's business ties up rather little capital. Tangible assets (EUR 26.0m) accounted for around 15% of the balance sheet total (EUR 180m) at the end of Q1 2026. Kreate has its own machinery and equipment, to which a depreciation period of 5–10 years is applied. The equipment includes steel and pontoon equipment ("pontoons and steel") that is relocated from one construction site to another. Investments in machinery and equipment amounted to around EUR 5.8m in 2025, with the related depreciation totalling EUR 5.2m. We estimate that acquisitions (effectively SRV Infra) increased the book value of equipment by EUR 7.1m. In our estimate, the inclusion of KFS Finland in Kreate's consolidated income statement will increase annual investments in machinery and equipment by EUR 1–1.5m. We expect Kreate's gross capex to amount to EUR 12m in 2026.

No profitability target has been set for the machinery and equipment business in group-internal accounting, which means that it operates with zero profit responsibility. Business units are charged for equipment and machinery usage at a level corresponding to the associated costs. Profit and losses arising from the sale or disposal of machinery and equipment (and other tangible assets) are recognised directly in the income statement (other operating income or expenses). The depreciation period applied to machinery and equipment is usually 10 years.

Goodwill is the most significant non-current asset item on the balance sheet, as it accounted for 35% of the balance sheet total at the end of Q1 2026. Goodwill results from acquisitions completed in recent years (for example, the acquisition of SRV Infra).

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### Consolidated balance sheet, Q1/26




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Source: OP Markets and Kreate, balance sheet total at the eo Q1 2026 was EUR 180.2m

In practice, Kreate's business does not require any current assets. In contrast to a conventional residential construction firm, Kreate has no need to buy plots, which usually constitute a considerable part of construction firms' current assets.

Kreate's working capital mainly consists of sales receivables, accounts payable and receivables and liabilities based on customer agreements. Contract-based receivables and liabilities reflect timing differences between revenue recognition based on the percentage of completion and invoicing. In other words, they are effectively project revenue recognised but not yet invoiced from the customer and payments received from the customer which have not yet been recognised as revenue based on percentage of completion. The company's long-term target is net working capital of +/- 0.

At the end of Q1 2026, Kreate's equity capital included non-controlling interest amounting to EUR 0.8m.

## Financial position and capital structure

Kreate's interest-bearing debt totalled EUR 51.0m and interest-bearing net debt amounted to EUR 44.7m at the end of Q1 2026. Interest-bearing debt mainly consists of bank loans, as IFRS 16 lease liabilities accounted for EUR 5.7m of interest-bearing debt at the end of Q1 2026, at which point the interest-bearing net debt to EBITDA ratio for the previous 12 months was 2.2. The company aims to maintain its net debt/EBITDA ratio below 2.5.

According to the debt maturity schedule, EUR 4.4m of Kreate's interest-bearing debt (excluding lease liabilities) will fall due for payment in 2026 and an equal amount in 2027. A considerable amount of interest-bearing debt (EUR 40.4m) will mature in 2028. We estimate that the company will most likely refinance part of its interest-bearing debt maturing in 2028 while also aiming to rebalance the maturity breakdown of its debt portfolio.

## Q1 results

Kreate released its Q1 2026 earnings report on 27 April. In Q1 2026, revenue grew to EUR 97.6m (Q1 2025: EUR 52.4m) and EBITDA to EUR 3.9m. Sweden accounted for EUR 15.5m of Q1 2026 revenue.

During the quarter, the company's order book grew by EUR 288m compared with the situation at the end of 2025 and amounted to EUR 689m. In Q1 2026, the company recorded in its order book new projects amounting to EUR 337m, including the final part of the Tampere passenger rail yard and the Kurkela-Kuusisto project. In connection with the Q1 report, the company estimated that EUR 339m of the order book will be recognised as revenue during 2026, of which Swedish operations were estimated to account for EUR 18m.

<b>Additional information on the order backlog</b>	<b>M€</b>	<b>from</b>	<b>until</b>
<b>Order backlog additions announced during January-March 2026<sup>1)</sup></b>			
Tampere passenger railway yard, phase 2	152	Q1/26	2031
Kelukoski hydropower plant floodgate works, Sodankylä	N/A	Q1/26	2027
Kurkela-Kuusisto, Kaarina	78	Q1/26	2027
Malminkartano railway station tunnel contract, Helsinki	9	Q1/26	2026
Kannelmäki railway station renovation, Helsinki	8.5	Q1/26	2026
Gullberg tunnel interior lining contract, Norway	3.5	Q1/26	2026

Kreate revised its earnings guidance for 2026 on 30 March. According to the new guidance, revenue for 2026 is expected to be EUR 510–550m. EBITA is expected to grow to EUR 18–22m. According to the company, the guidance is justified, among other things, by revenue of more than EUR 480m it expects to recognise in 2026 based on the current order book, projects in the pipeline and some projects in the negotiation phase which Kreate considers will very likely be signed.

Provided that the company's revenue for 2026 matches the mid-point of the guidance range (EUR 530m), we estimate that revenue would increase in Q2–Q4 2026 by 65%. If EBITA for 2026 is at the mid-point of the guidance range (EUR 20m), earnings guidance would imply an EBITA margin of 3.6–3.9%.

## Valuation

We have analysed the share value through earnings-based EV/EBIT and P/E multiples and our DCF model. With the DCF model, we aim to estimate the share's fair value over a longer period. The valuation multiples we determine for Kreate are based on the company's growth and profitability profile, peer companies' valuation and the historical pricing of the company and the sector.

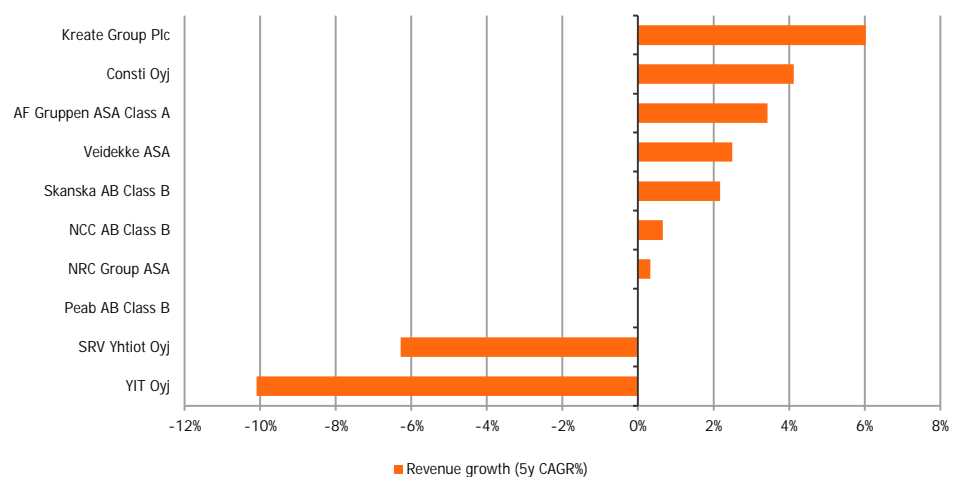
## Peer group analysis

The peer group we have formed consists of Nordic construction companies in which contracting plays a clear role. In our view, the best peer companies for Kreate are the Norwegian NRC Group, which focuses solely on infrastructure construction, and the Finnish GRK Infra. As regards general constructors, infrastructure construction also plays a major role for YIT, the Norwegian Veidekke and AF Gruppen as well as the Swedish Peab and NCC. Consti, which specialises in building renovation, is not involved in infrastructure construction, but its business rests entirely on contracting, and in our opinion, the company is therefore a reasonably relevant peer among smaller construction companies.

Over the past five years, Kreate has grown the most among the companies in the peer group, with average annual revenue growth (CAGR) at 6.0% during the review period. At the same time, the median growth of its peer companies has only been 1.4%. In a historical profitability comparison, Kreate is in the middle of our peer group with an average EBIT margin of 3.1% (the peer group's 5-year median 3.2%). The company aims to reach an EBITA margin of 5% during the current strategy period, which would lift the company to the top end of its peer group. Among its main infrastructure-focused peers, GRK's profitability was at an excellent level of over 6% in 2024–2025, clearly the highest in the peer group. Meanwhile, NRC Group has fallen clearly behind Kreate in historical comparison, which is also reflected in lower valuation multiples.

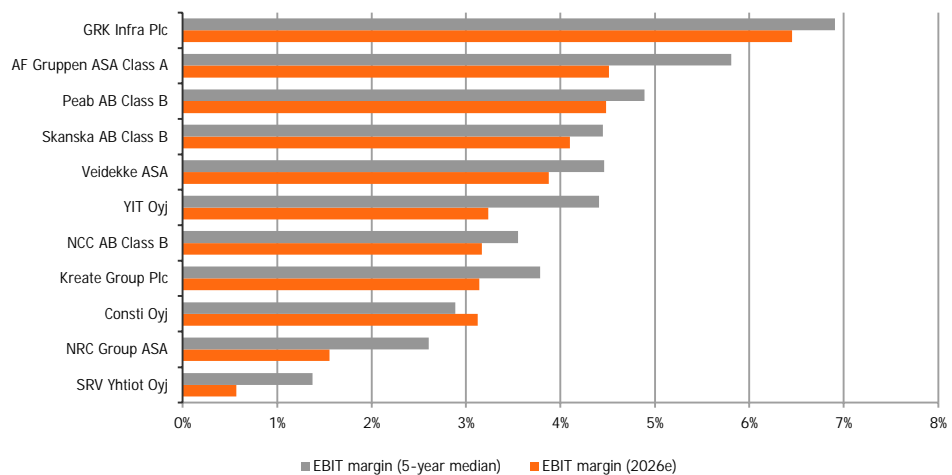
Looking forward, Kreate's 2026 revenue growth is in a league of its own (70% vs. peers at 4.3%), and in our forecasts it remains at a healthy level next year (5.8%), in line with the peer group. We expect Kreate's profitability to improve in 2026–2027 although it will be weaker than the average in the peer group (Kreate 2027 EBIT OPe 4.0% vs. peer median 4.6%). As regards return on equity, Kreate is expected to be among the top companies in the whole sector thanks to its light balance sheet, as only the Norwegian peers Veidekke and AF Gruppen reach better figures during the forecast period.

Revenue growth - Kreate and peer group, 5 years CAGR (%)



Source: FactSet, OP Markets

### Profitability - Kreate and peer group (EBIT margin)



Source: FactSet, OP Markets

### Peer valuation levels

On 2026 earnings estimates, the peer group median EV/EBIT stands at 11.0x, with expected sector earnings growth in 2027 driving multiples down to 9.0x. Therefore, the average EV/EBIT multiple for 2026–2027 is 10.1, which is almost identical with the historical 12-month forward-looking valuation (10-year median 10.2x). The peer group's P/E multiples are 15.1x and 12.2x (the sector's 10-year median 12.6x) – somewhat elevated versus historical levels.

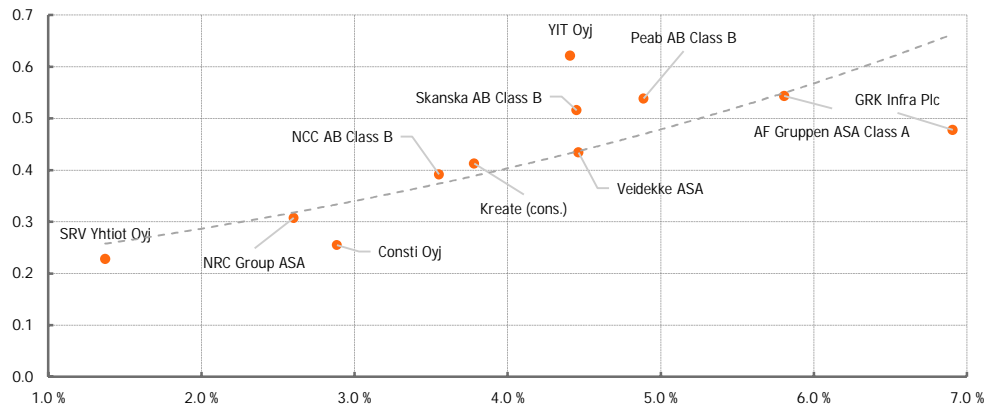
Based on the combination of EV/Sales multiples and profitability forecasts as well as P/B multiples and return on equity, both Kreate's and the peer group's valuations appear reasonably well aligned with each other.

### Peer valuation

	MCAP	EV/Sales		EV/EBIT		P/E		ROE-%		Sales growth		EBIT-%	
	EURm	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e
<b>Construction companies, Finland</b>													
YIT Oyj	614	0.6x	0.5x	14.1x	9.8x	33.3x	15.6x	3 %	6 %	4.2 %	7.2 %	4.4 %	5.5 %
GRK Infra Plc	625	0.5x	0.4x	6.9x	6.4x	13.0x	12.8x	24 %	21 %	-1.5 %	6.5 %	6.9 %	6.6 %
SRV Yhtiot Oyj	91	0.2x	0.2x	16.6x	9.4x	53.6x	11.6x	1 %	6 %	17.2 %	13.7 %	1.4 %	2.2 %
Consti Oyj	87	0.3x	0.2x	8.8x	6.6x	11.8x	8.9x	16 %	19 %	1.4 %	8.7 %	2.9 %	3.4 %
Kreate (cons.)	168	0.4x	0.4x	10.9x	9.4x	12.5x	11.1x	26 %	25 %	70.8 %	3.6 %	3.8 %	4.1 %
Skanska AB Class B	9,727	0.5x	0.5x	11.6x	10.1x	15.0x	13.4x	11 %	12 %	3.5 %	5.9 %	4.5 %	4.8 %
Peab AB Class B	2,360	0.5x	0.5x	11.0x	10.3x	11.5x	10.9x	13 %	12 %	4.4 %	5.3 %	4.9 %	4.9 %
NCC AB Class B	1,814	0.4x	0.4x	11.0x	9.3x	13.3x	11.7x	18 %	19 %	-0.5 %	5.5 %	3.6 %	3.8 %
Veidekke ASA	2,263	0.4x	0.4x	9.7x	9.1x	15.3x	14.4x	43 %	44 %	7.0 %	5.1 %	4.5 %	4.5 %
NRC Group ASA	129	0.3x	0.3x	11.8x	8.2x	16.4x	9.8x	5 %	7 %	5.3 %	5.1 %	2.6 %	3.5 %
AF Gruppen ASA Class A	1,955	0.5x	0.5x	9.3x	8.8x	16.1x	15.3x	31 %	30 %	8.6 %	4.0 %	5.8 %	5.8 %
<b>Median</b>	<b>1220</b>	<b>0.5x</b>	<b>0.4x</b>	<b>11.0x</b>	<b>9.2x</b>	<b>15.1x</b>	<b>12.2x</b>	<b>14 %</b>	<b>16 %</b>	<b>4.3 %</b>	<b>5.7 %</b>	<b>4.4 %</b>	<b>4.6 %</b>
Average	1803	0.4x	0.4x	11.1x	8.8x	19.2x	12.3x	17 %	18 %	10.9 %	6.4 %	4.1 %	4.5 %
<b>Kreate (OP)</b>	<b>168</b>	<b>0.4x</b>	<b>0.4x</b>	<b>10.4x</b>	<b>9.1x</b>	<b>12.9x</b>	<b>11.1x</b>	<b>27 %</b>	<b>25 %</b>	<b>69.6 %</b>	<b>5.8 %</b>	<b>3.7 %</b>	<b>4.0 %</b>

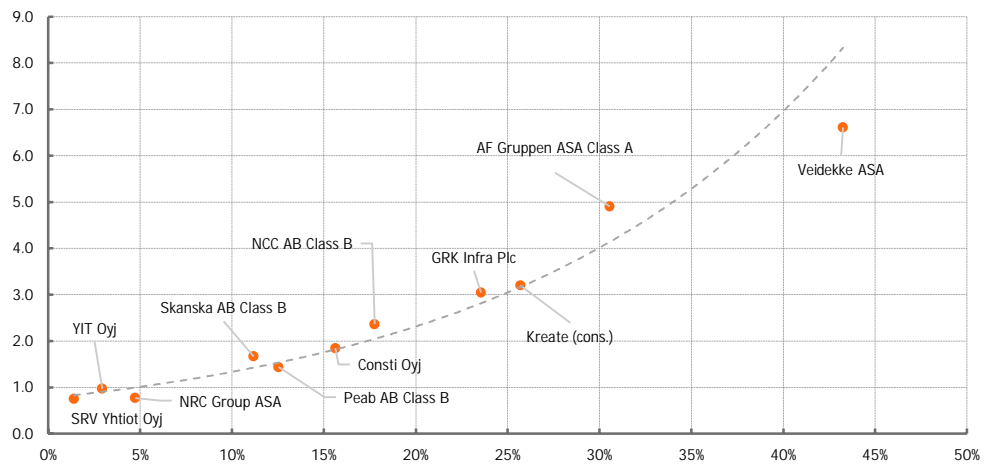
Source: FactSet, OP Markets

**2026e EV/SALES and EBIT-%**



Source: FactSet, OP

**2026e P/B and ROE-%**



Source: FactSet, OP

**Despite the sharp share price rise, Kreate’s valuation is rather neutral compared to historical levels.**

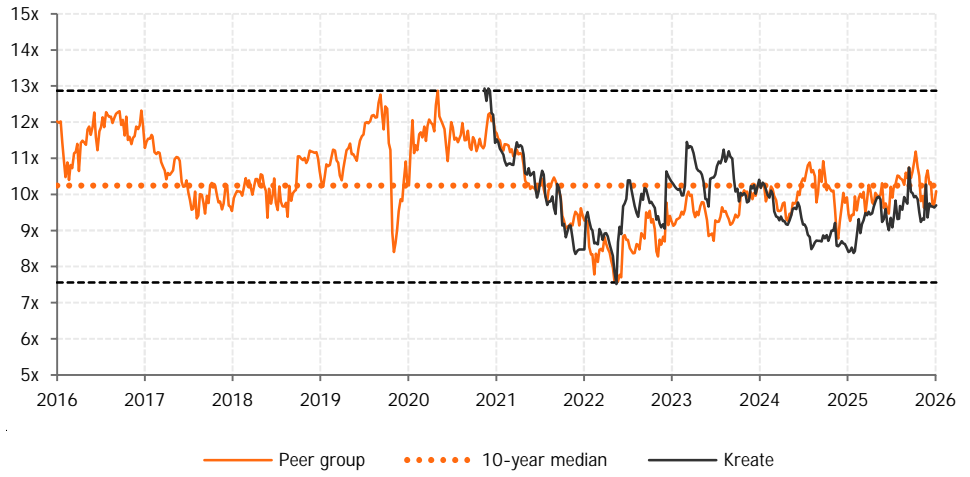
**The share is valued at a slight discount in relation to peers based on EV/EBIT and P/E multiples.**

Kreate’s share price has risen by as much as 50% YTD. However, the share price rise has mainly relied on higher earnings expectations, and the share valuation (12-month forward-looking multiples) is still rather neutral compared to historical levels (EV/EBIT 10.3x vs. 5-year median 9.8x). Relative to peers, the share is priced at a modest discount (approximately 5–10%) on both EV/EBIT and P/E metrics.

In our opinion, the company’s risk profile is lower than that of many peers due to its order book and a solid growth outlook. The outlook for infrastructure construction in the next few years is promising in the market relevant to Kreate whereas in our opinion, there is considerably more uncertainty related to the outlook for general constructors relying more heavily on residential construction. The performance of Kreate’s business portfolio and tailwind from the market offer favourable conditions for robust growth to continue and margins to improve closer to the company’s target level. On the other hand, Kreate’s profitability is slightly lower compared with peers both historically and during our forecast period, and it does not benefit from the same level of earnings leverage from cyclical recovery as, for instance, residential construction companies.

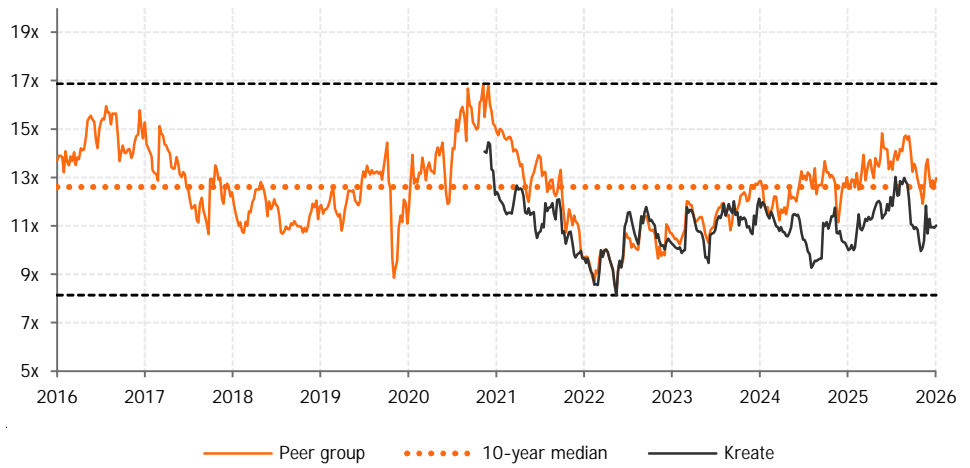
Overall, the stock appears to be reasonably valued in our view. However, we identify moderate upside in the multiples if the growth story continues and the margin improvement progresses in line with our expectations. The key driver of returns in the coming years will nevertheless be earnings growth.

### EV/EBIT (NTM) - Peer group and Kreate



Source: Factset, OP Markets

### P/E (NTM) - Peer group and Kreate



Source: Factset, OP Markets

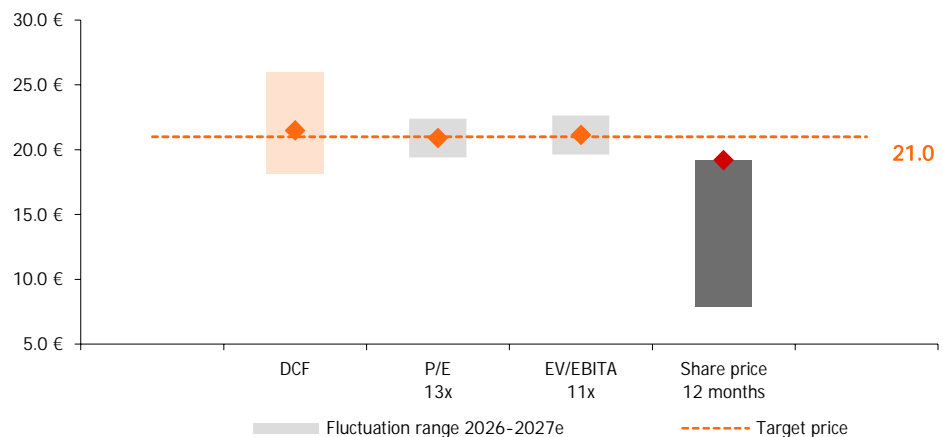
## Target price EUR 21.00 – Accumulate

We accept an EV/EBITA multiple of 11x and a P/E multiple of 13x for Kreate and apply them to our forecasts for 2026–2027 with 50/50 weights. According to our calculations, the share value would be in the range of EUR 19.00–23.00 based on the multiples that we accept. The share value indicated by the base case scenario in our DCF model is EUR 21.50 based on a weighted average cost of capital (WACC) of 8.9%. We place 80% weight on earnings-based valuation multiples and 20% weight on the DCF model.

As a whole, we believe that the expected return on the share is at a reasonable level as a result of the revenue growth and margin improvement we predict for the next couple of years. In our view, Kreate's solid cash flow also enables a rising dividend payout going forward, and a dividend yield of around 4–5% supports investors' expected return on the current forecast period in 2026–2028.

We are initiating coverage on Kreate with an Accumulate recommendation and a target price of EUR 21.00.

### Kreate - Valuation summary



Source: OP Markets

### Kreate - Valuation

Summary			Weight	EUR/share
EV/EBITA (x)	11x		40 %	21.2
P/E (x)	13x		40 %	20.9
DCF model			20 %	21.5
<b>Target price</b>				<b>21.0</b>

EV/EBITA (x)	EBITA	EV/EBITAx	EV	Net debt	Market cap	Weight	EUR/share
2026e	20.0	11x	220	45	175	50 %	19.7
2027e	22.4	11x	246	45	201	50 %	22.7
2028e	23.5	11x	259	45	214	0 %	24.0
Weighted	21.2	11x	233	45	188		21.2

P/E (x)	EPS	P/Ex	Market cap	Weight	EUR/share
2026e	1.49	13x	173	50 %	19.4
2027e	1.72	13x	199	50 %	22.4
2028e	1.85	13x	214	0 %	24.1
Weighted	1.61	13x	186		20.9

Source: OP Markets

## Discounted cash flow model

In our DCF model, we assume that revenue growth will stabilise to 2% from 2029 onwards and become more moderate in the long term at 1.5%, which we estimate reflects the long-term growth rate of the infrastructure market. We expect that profitability (EBIT margin) will rise to 4.5% in 2030, but estimate that it will stabilise at 4% in the longer term, which is clearly below the company's current target level. In our opinion, this is a conservative estimate, and if the company manages to grow in line with its targets and raise its profitability closer to the 5% target in the coming years, higher long-term margin estimates would be justified.

The fair value of the share indicated by our DCF model is EUR 21.50. Due to the nature of the model, the indicated fair value is relatively sensitive to the assumptions for growth and WACC used in the model. We have determined Kreate's average cost of capital at 8.9%.

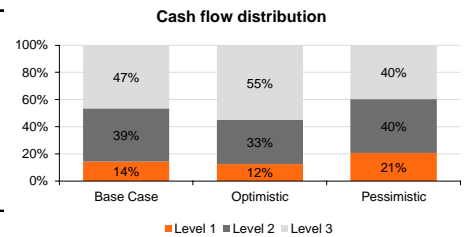
The fair value of the share indicated by our DCF model is EUR 21.50.

**Kreate**

**Cash flow projections**

EURm	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Revenues	535	566	550	555	564	575	587	595	604	613	623
Revenue growth	69.6 %	5.8 %	-2.8 %	1.0 %	1.5 %	2.0 %	2.0 %	1.5 %	1.5 %	1.5 %	1.5 %
EBIT	20	22	23	24	25	25	25	24	24	25	25
EBIT margin	3.7 %	3.9 %	4.2 %	4.4 %	4.5 %	4.3 %	4.2 %	4.1 %	4.0 %	4.0 %	4.0 %
Gross Investments	12	11	10	11	11	12	12	12	12	12	12
Gross inv./depreciation	1.1	1.0	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Free cash flow	13	11	15	21	22	21	21	21	21	21	21

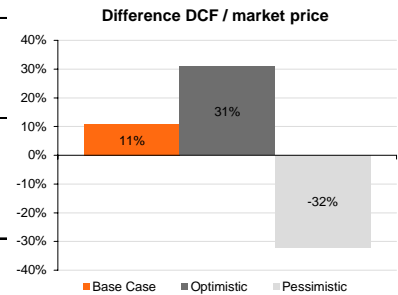
FCF	Base Case		Optimistic		Pessimistic	
	growth	% pv*	growth	% pv	growth	% pv
<b>Level 1</b>						
2026						
:						
2028	-26.0 %	14 %	-26.0 %	12 %	-46.0 %	21 %
<b>Level 2</b>						
2029						
:						
2036	4.2 %	39 %	6.7 %	33 %	-1.2 %	40 %
<b>Level 3</b>						
2037	1.8 %	47 %	2.5 %	55 %	1.0 %	40 %
PV total	236	100 %	271	100 %	162	100 %



\* Level share of present value cash flows

**IMPLIED SHARE PRICE vs CURRENT SHARE PRICE**

Kreate	Base Case	Optimistic	Pessimistic
Present value FCF	236	271	162
- debt (int.-bearing)	51	51	51
- minority interest	0	0	0
+ fin. investments	0	0	0
+ cash and bank	6	6	6
PV shareholder equity	191	226	117
No. of shares (million)	8.9	8.9	8.9
<b>Implied share price</b>	<b>21.5</b>	25.4	13.1
<b>Current share price</b>	<b>19.4</b>	19.4	19.4
<b>Difference (EUR)</b>	<b>2.1</b>	6.0	-6.3
<b>Difference %</b>	<b>10.8 %</b>	30.9 %	-32.2 %



**SENSITIVITY ANALYSIS**

Interest rate sensitivity	Implied share price		
	Base Case	Optimistic	Pessimistic
risk-free rate	23.5	28.1	14.3
2.50 %	21.5	25.4	13.1
3.00 %	19.8	23.1	12.1
3.50 %			

**WACC vs risk-free rate**

Risk-fr. r.	2.50 %	3.00 %	3.50 %
CAPM	6.50 %	7.00 %	7.50 %
WACC	8.40 %	<b>8.88 %</b>	9.36 %
	WACC <sub>2</sub>	WACC <sub>1</sub>	WACC <sub>3</sub>

Growth sensitivity	Implied share price					WACC
	Base Case	7.88 %	8.38 %	8.88 %	9.38 %	
0.80 %	23.5	21.6	19.9	18.3	17.0	
infinite	1.30 %	24.7	22.5	20.6	19.0	17.5
cash flow	<b>1.80 %</b>	26.0	23.6	<b>21.5</b>	19.7	18.2
growth	2.30 %	27.5	24.8	22.5	20.5	18.8
	2.80 %	29.3	26.2	23.7	21.5	19.6

**WACC**

**Cost of equity capital:**

CAPM	
Risk-free rate	3.00 %
Market risk premium	5.00 %
Company beta	0.80
<b>Cost of equity capital</b>	<b>7.00 %</b>

**Cost of debt capital:**

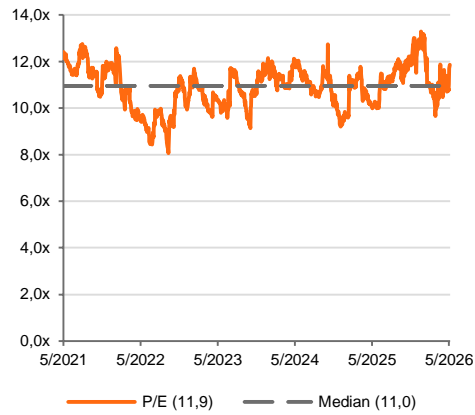
Risk-free rate	3.00 %
Risk premium	5.00 %
Tax rate	20.0 %
Tax shield on interest exp.	1.60 %
<b>Cost of debt capital</b>	<b>6.40 %</b>

**WACC:**

Cost of equity capital	7.00 %
Cost of debt capital	6.40 %
Debt ratio (target)	20.0 %
Equity ratio (target)	80.0 %
Liquidity premium	2.00 %
<b>WACC</b>	<b>8.9 %</b>

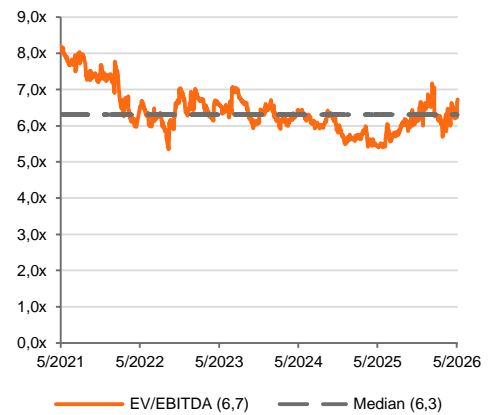
### Historical valuation metrics (12m forward)

**Kreate Group Plc - P/E**



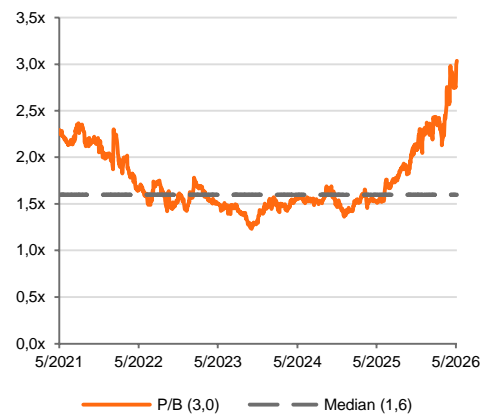
Source: Factset, OP Markets

**Kreate Group Plc - EV/EBITDA**



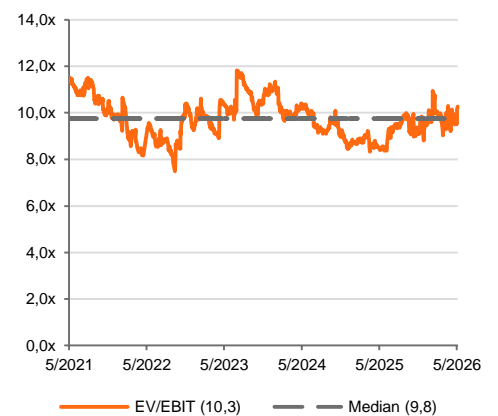
Source: Factset, OP Markets

**Kreate Group Plc - P/B**



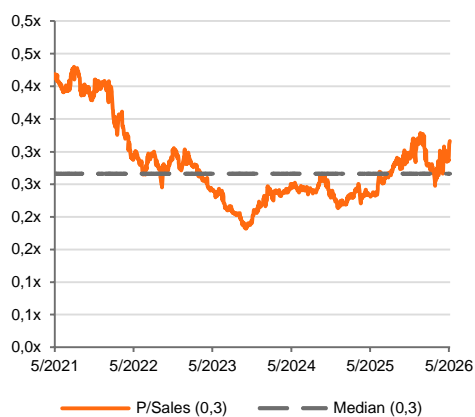
Source: Factset, OP Markets

**Kreate Group Plc - EV/EBIT**



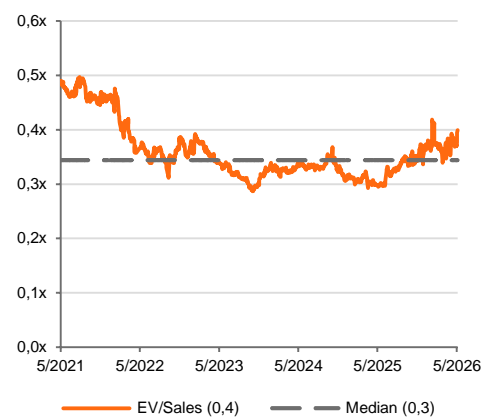
Source: Factset, OP Markets

**Kreate Group Plc - P/S**



Source: Factset, OP Markets

**Kreate Group Plc - EV/Sales**



Source: Factset, OP Markets

## Quarterly and full-year forecasts 2026–2028

### Kreate - Quarterly forecasts

EURm	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26e	3Q26e	4Q26e
<b>Revenue</b>								
Finland	45	65	79	76	82	123	131	124
Sweden	8	9	16	18	16	16	22	22
<b>Revenue</b>	<b>52</b>	<b>74</b>	<b>95</b>	<b>95</b>	<b>98</b>	<b>138</b>	<b>153</b>	<b>146</b>
<b>Revenue growth</b>								
Finland	-6 %	5 %	16 %	16 %	83 %	75 %	54 %	49 %
Sweden	15 %	41 %	59 %	84 %	107 %	73 %	36 %	20 %
<b>Revenue growth</b>	<b>-3.7 %</b>	<b>8.1 %</b>	<b>22.0 %</b>	<b>25.3 %</b>	<b>86.3 %</b>	<b>88.4 %</b>	<b>61.5 %</b>	<b>54.0 %</b>
EBITDA	1.7	4.0	5.9	6.3	3.9	7.5	10.1	9.4
<b>EBITA</b>	<b>0.1</b>	<b>2.2</b>	<b>4.0</b>	<b>3.9</b>	<b>1.5</b>	<b>4.8</b>	<b>7.2</b>	<b>6.5</b>
EBIT	0.0	2.2	4.0	3.9	1.5	4.8	7.2	6.5
<b>Margin</b>								
EBITDA	3.2 %	5.4 %	6.2 %	6.7 %	4.0 %	5.4 %	6.6 %	6.4 %
<b>EBITA</b>	<b>0.2 %</b>	<b>3.0 %</b>	<b>4.2 %</b>	<b>4.2 %</b>	<b>1.6 %</b>	<b>3.4 %</b>	<b>4.7 %</b>	<b>4.5 %</b>
EBIT	0.0 %	3.0 %	4.2 %	4.1 %	1.5 %	3.4 %	4.7 %	4.5 %
Financials (net)	0.0	-0.8	-0.4	-0.4	-0.6	-0.7	-0.7	-0.7
PTP	0.0	1.4	3.5	3.5	0.9	4.1	6.5	5.8
Taxes	0.2	-0.4	-0.6	-0.9	0.1	-0.8	-1.3	-1.2
<b>Net profit (parent company)</b>	<b>-0.7</b>	<b>1.5</b>	<b>1.4</b>	<b>1.6</b>	<b>-0.6</b>	<b>1.6</b>	<b>1.8</b>	<b>1.6</b>
<b>EPS</b>	<b>0.01</b>	<b>0.14</b>	<b>0.30</b>	<b>0.27</b>	<b>0.09</b>	<b>0.34</b>	<b>0.56</b>	<b>0.50</b>

Source: OP Markets

### Kreate - Full-year forecasts

EURm	2023	2024	2025	2026e	2027e	2028e
<b>Revenue</b>						
Finland	297	243	264	460	481	456
Sweden	23	33	51	75	85	94
<b>Revenue</b>	<b>320</b>	<b>276</b>	<b>315</b>	<b>535</b>	<b>566</b>	<b>550</b>
<b>Revenue growth</b>						
Finland	10 %	-18 %	9 %	74 %	5 %	-5 %
Sweden	482 %	45 %	54 %	47 %	13 %	11 %
<b>Revenue growth</b>	<b>16.9 %</b>	<b>-13.9 %</b>	<b>14.4 %</b>	<b>69.6 %</b>	<b>5.8 %</b>	<b>-2.8 %</b>
EBITDA	14.0	15.3	17.9	30.8	33.2	34.3
<b>EBITA</b>	<b>7.8</b>	<b>8.8</b>	<b>10.2</b>	<b>20.0</b>	<b>22.4</b>	<b>23.5</b>
EBIT	7.6	8.7	10.0	19.9	22.2	23.3
<b>Margin</b>						
EBITDA	4.4 %	5.6 %	5.7 %	5.8 %	5.9 %	6.2 %
<b>EBITA</b>	<b>2.4 %</b>	<b>3.2 %</b>	<b>3.2 %</b>	<b>3.7 %</b>	<b>4.0 %</b>	<b>4.3 %</b>
EBIT	2.4 %	3.2 %	3.2 %	3.7 %	3.9 %	4.2 %
Financials (net)	-3.0	-2.8	-1.6	-2.7	-2.6	-2.3
PTP	4.6	5.9	8.4	17.2	19.7	21.0
Taxes	-0.7	-1.3	-1.7	-3.2	-3.5	-3.8
<b>Net profit (parent company)</b>	<b>3.9</b>	<b>4.6</b>	<b>6.7</b>	<b>13.3</b>	<b>15.3</b>	<b>16.5</b>
<b>EPS</b>	<b>0.44</b>	<b>0.50</b>	<b>0.72</b>	<b>1.49</b>	<b>1.72</b>	<b>1.85</b>

Source: OP Markets

## Income statement, balance sheet and cash flow

**Kreate - Income statement**

EUR million	2023	2024	2025	2026e	2027e	2028e
<b>Sales</b>	<b>320</b>	<b>276</b>	<b>315</b>	<b>535</b>	<b>566</b>	<b>550</b>
Materials and services	251	204	227	393	416	401
<b>Gross margin</b>	<b>22 %</b>	<b>26 %</b>	<b>28 %</b>	<b>26 %</b>	<b>26 %</b>	<b>27 %</b>
Personnel costs	43	44	54	82	86	86
Other costs	14	15	18	30	32	31
<b>EBITDA</b>	<b>14.0</b>	<b>15.3</b>	<b>17.9</b>	<b>30.8</b>	<b>33.2</b>	<b>34.3</b>
Margin	4.4 %	5.6 %	5.7 %	5.8 %	5.9 %	6.2 %
Depreciation and amortisation	6.4	6.6	7.9	10.9	11.0	11.0
<b>Operating profit</b>	<b>7.6</b>	<b>8.7</b>	<b>10.0</b>	<b>19.9</b>	<b>22.2</b>	<b>23.3</b>
Financial items	-3.0	-2.8	-1.6	-2.7	-2.6	-2.3
PTP	4.6	5.9	8.4	17.2	19.7	21.0
Taxes	-0.7	-1.3	-1.7	-3.2	-3.5	-3.8
<b>Net profit</b>	<b>3.9</b>	<b>4.6</b>	<b>6.7</b>	<b>13.3</b>	<b>15.3</b>	<b>16.5</b>
EPS	0.44	0.50	0.72	1.49	1.72	1.85
DPS	0.48	0.50	0.60	0.80	0.90	0.95

Source: OP Markets

**Kreate - Balance sheet**

EUR million	2023	2024	2025	2026e	2027e	2028e
<b>Assets:</b>						
Goodwill	40	40	63	70	70	70
Other intangible assets	0	0	0	0	0	0
Tangible assets	20	18	28	43	43	42
Investments	15	17	19	8	8	8
Inventories	0	0	0	0	0	0
Receivables	35	45	59	86	91	88
Short-term investment assets	0	0	0	0	0	0
Cash and cash equivalents	24	11	19	17	15	17
<b>Total</b>	<b>135</b>	<b>131</b>	<b>188</b>	<b>224</b>	<b>227</b>	<b>226</b>
<b>Liabilities:</b>						
Share capital	0	0	0	0	0	0
Other restricted equity	0	0	0	0	0	0
Unrestricted equity	0	0	0	54	68	79
Share of non-controlling interest	0	0	0	3	3	3
<b>Total equity</b>	<b>43</b>	<b>44</b>	<b>46</b>	<b>60</b>	<b>71</b>	<b>83</b>
Provisions	0	0	0	0	0	0
LT interest-bearing debt*	29	30	44	45	41	37
LT non-interest-bearing debt*	2	1	2	2	2	2
Other LT liabilities	0	0	0	0	0	0
ST interest-bearing debt	11	11	11	8	6	4
ST non-interest-bearing debt	50	46	86	110	108	100
<b>Total</b>	<b>135</b>	<b>131</b>	<b>188</b>	<b>224</b>	<b>227</b>	<b>226</b>

Source: OP Markets

**Kreate - Cash flow**

EUR million	2023	2024	2025	2026e	2027e	2028e
Operating profit	8	9	10	20	22	23
- Taxes	-1	-1	-2	-3	-4	-4
- Tax shield on interest expenses	0	-1	0	-1	0	0
+/- Other adjustments	-19	6	3	0	0	0
NOPLAT*	-13	13	11	16	18	19
+ Depreciation	6	7	8	11	11	11
Cash flow from operations	-6	19	19	27	29	30
+ Receivables	35	45	59	86	91	88
+ Inventories	0	0	0	0	0	0
- ST non-interest-bearing debt	-50	-46	-86	-110	-108	-100
Net working capital	-15	-1	-27	-25	-17	-13
Change in NWC from prev. year	-17	14	-26	2	7	5
- Gross investments	7	6	7	12	11	10
Free cash flow	4	0	38	13	11	15

Source: OP Markets

## Initial public offering in 2021

Kreate was listed on Nasdaq Helsinki's pre-list on 19 February 2021 and it moved to the main list on 23 February 2021. A little over 1.5 million new shares were issued in the initial public offering, and some of the company's shareholders at the time also sold nearly 2.7 million shares. Kreate received gross proceeds of EUR 12.5m in the initial public offering. The total number of the company's shares immediately after the initial public offering was 8,984 million. The company's current share count is in line with the level following the IPO.

## Ownership structure

### Kreate's largest shareholders on 30 April 2026

Shareholders	Shares	Percentage of shares
Harjavalta Oy	1,783,689	19.85 %
Tirinom Oy	1,000,000	11.13 %
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	425,000	4.73 %
Valtonen Seppo	361,526	4.02 %
Keskinäinen työeläkevakuutusyhtiö Varma	359,000	4.00 %
Sr Säästöpankki Pienyhtiöt	335,678	3.74 %
Rantala Sami	273,534	3.04 %
Keskinäinen Työeläkevakuutusyhtiö Elo	218,922	2.44 %
Eläkevakuutusosakeyhtiö Veritas	175,000	1.95 %
Inkala Tero	146,894	1.63 %
Salminen Juha	144,741	1.61 %
Eai Kreate Holding Oy	139,389	1.55 %
Neva-Aho Ronnie	100,519	1.12 %
OP-Henkivakuutus Oy	92,956	1.03 %
Kreate Group Oyj	90,000	1.00 %
S-Bank Finnish Small Companies Equity Fund	89,211	0.99 %
Prírock Oy	69,908	0.78 %
Kulmala Teuvo	67,966	0.76 %
Karjalainen Jarmo	65,580	0.73 %
<b>Nominee-registered</b>	<b>142,545</b>	<b>1.59 %</b>
<b>All shareholders, total</b>	<b>8,984,722</b>	<b>100.00 %</b>

Source: Kreate, on 30 April 2026, the company had 10,208 identified shareholders.

## Executive Board



**Timo Vikström**  
President and CEO  
Master of Engineering (MEng, Construction), eMBA  
Member of Management Team since 2017



**Jaakko Kivi**  
EVP, Technical Office  
Master of Science (Technology)  
Member of Management Team since 2018



**Mikko Laine**  
CFO  
Master of Political Sciences  
Member of Management Team since 2022



**Antti Kokkonen**  
Bridge construction and repair  
Bachelor of Engineering  
Member of Management Team since 2024



**Katja Pussinen**  
HR  
Master of Science (Economics)  
Member of Management Team since 2017



**Tommi Hakanen**  
EVP, Special Foundation Construction  
Master of Science (Technology)  
Member of Management Team since 2020



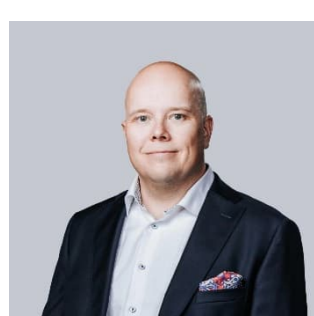
**Heikki Pöyhönen**  
EVP, Rock Construction  
Bachelor of Engineering  
Member of Management Team since 2026



**Timo Leppänen**  
EVP, Railway Construction  
Bachelor of Civil Engineering  
Member of Management Team since 2021



**Sami Laakso**  
Chief Operating Officer  
Bachelor of Engineering  
Member of Management Team since 2021



**Juha Schönberg**  
EVP, Transport Infrastructure Construction  
Master of Science (Technology)  
Member of Management Team since 2024

## Board of Directors



**Petri Rignell**  
 Master of Science (Technology)  
 Board member since 2015  
 Chairman of the Board



**Timo Kohtamäki**  
 Master of Science (Technology), Licentiate  
 of Science (Technology)  
 Board member since 2015  
 Member



**Jussi Aine**  
 Master of Science in Engineering, Master of  
 Economic Sciences  
 Board member since 2021  
 Member



**Timo Pekkarinen**  
 Construction Engineer  
 Board member since 2021  
 Member



**Petra Thorén**  
 Master of Science (Economics)  
 Board member since 2020  
 Member



**Elina Rahkonen**  
 Master of Science (Economics)  
 Board member since 2020  
 Member

**More information on OP Corporate Bank plc and the investment research produced by it:**

This research report has been prepared by OP Corporate Bank plc's Research Team (OP Research) in the Markets business unit (OP Markets). OP Corporate Bank plc is an authorised commercial bank in accordance with the act on credit institutions and under the supervision of the European Central Bank and the Finnish Financial Supervisory Authority.

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The information concerning the research report was not sent to the issuer of the security subject to analysis for approval before the report was released.

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The recommendations or target prices given are based on assumptions that may not be realised and they do not guarantee that the price of the security will perform as estimated. Due to the nature of the securities market, even moderate changes in a company's operations or operating environment or general fluctuations in the securities market can result in considerable changes in value. The past performance of a security

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Recommendations and target price history			Kreate
Recommendation	Target price (€)	Price (€)	Date
ACCUMULATE	21.0	19.4	29.5.2026

The recommendation breakdown of OP Corporate Bank plc for all companies under its coverage and for the aforementioned\* companies OP Corporate Bank plc or another company pertaining to the same group has been party to an agreement with concerning the provision of investment banking services:

Recommendation	All Companies		Inv. Banking Relationships*	
	Count	%	Count	%
BUY	25	36	3	33
ACCUMULATE	25	36	3	33
REDUCE	15	21	3	33
SELL	5	7	0	0
	70	100	9	100

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