Report of the Board of Directors and financial statements for 2024
Includes consolidated IFRS financial statements 31 December 2024 GRK Infra Plc

The report of the Board of Directors and the financial statements have been prepared in two languages, of which the Finnish version is official, and the English translation is non-official.

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Report of the Board of Directors

Description of the business model

GRK designs, repairs, maintains and builds roads, highways, tracks and bridges to make everyday life run smoothly, get people to meet each other and make the future more sustainable. GRK's expertise also includes environmental technology. We have approximately 1,100 professionals in Finland, Sweden and Estonia.

GRK's core competencies include the implementation of diverse infrastructure construction projects, project management of large and small projects, and extensive track expertise. GRK offers services from design to construction and maintenance.

Our customers include the state administration, municipalities, cities and the private sector. GRK works on several projects in cooperation with other companies in the infrastructure sector.

In addition to the parent company GRK Infra Plc, the GRK Group includes country companies in each operating country: GRK Suomi Oy in Finland, GRK Eesti AS in Estonia and GRK Sverige AB in Sweden. The parent company, GRK Infra Plc, is responsible for the group's administration and financing. The subsidiaries, GRK Suomi Oy, GRK Eesti Oy, and GRK Sverige AB, conduct the group's operational activities. The operations, development, and associated risks of GRK Infra Plc are dependent on the business development of its subsidiaries.

Civil engineering and road construction

GRK builds roads, streets and civil engineering infrastructure and improves existing transport infrastructure. We have special expertise among other things in demanding bridge construction work, such as waterway and railway bridges, for example. Our services cover area construction related to road construction, as well as concrete, steel and composite structures, foundations, industrial construction, bridge and tunnel construction and repair, as well as excavation, shoring and quarrying. Civil engineering and road construction also includes paving.

Rail business

GRK's rail business covers the entire life cycle of rail construction in Finland. In addition, GRK provides rail construction services in Sweden and Estonia. The areas of expertise in rail construction cover systems and structures for railways, metro lines and trams. Our services cover track engineering, track electrification, safety equipment and demanding structural engineering projects from foundations to telecom tower structures. GRK is responsible for the maintenance of tracks in several areas, including southern Finland.

Environmental technology

The environmental technology business includes the reception, processing and utilisation of several waste materials and side streams from industry and power plants. GRK currently has 14 reception sites with environmental permits in Finland. In addition to the reception of materials, the environmental technology business provides comprehensive services for the construction of sports facilities, for example. The environmental technology business also includes the bioproduct business, such as the production and sale of biochar and pellets.

Market situation and operating environment

The economy is starting to recover from the recession. Inflation and interest rates will continue to decrease slowly. The market situation will nevertheless remain uncertain. Public infrastructure construction is growing slightly in Finland, Sweden and Estonia.

In 2025 Finland's GDP is projected to grow by 0.8%, with growth accelerating to 1.8% in 2026. (Bank of Finland's economic forecast 12/2024). Sweden's GDP is projected to grow by 1.8% in 2025 and by 2.6% in 2026. Estonia's GDP, in turn, is projected to grow by 1.1% in 2025 and by 2.6% in 2026. (European Commission Autumn Economic Forecast 2/24).

Finland

Construction in Finland is projected to grow by 4% in 2025. According to the forecast of the Confederation of Finnish Construction Industries RT, civil engineering is projected to grow by 2% in 2025. The growth is driven by geopolitics and the energy transition.

The infrastructure sector is boosted by central government spending on road investments and maintenance, as well as investments in the energy transition. According to the forecast, the operating environment in Finland is in a period of significant changes due to geopolitics and the energy transition. Investments related to renewable energy, electrification, the security of supply and safety are growing. Infrastructure construction plays a significant role in this transition. (Source: Confederation of Finnish Construction Industries, economic survey 9/24).

Sweden

In Sweden, construction investments are projected to grow by 5% in 2025, and growth in investments is also expected in the infrastructure sector. According to the forecast, construction investments will grow significantly faster than the rest of the economy, mainly due to the recovery of housing construction and increasing investments in the energy sector and infrastructure. In the public sector, investments related to defence, in particular, are projected to increase investments during the forecast period. (Source: The Swedish Construction Federation, economic outlook report 2/2024). Construction in Norrbotten, which is an important region for GRK, is expected to grow due to significant investments.

Estonia

The construction industry in Estonia is projected to grow by an average of 4.8% annually during the period 2025–2028, driven by investments in renewable energy, green hydrogen and transport projects. (Source: Construction in Estonia – Key Trends and Opportunities to 2028). Growth in the infrastructure sector is expected particularly in rail construction, where the modernisation of the existing railway network and the construction of the Rail Baltica project are gaining momentum. The growth of the construction industry during the forecast period will also be supported by the Estonian Government's plans to generate 100 percent of the country's electricity from renewable sources by 2030 and reduce carbon dioxide emissions by 80 percent. This has an impact on the electrification of railway infrastructure in Estonia, for example.

Economic review

Seasonality

In infrastructure construction, there is typically significant seasonal fluctuation. This is influenced, for example, by the tendering schedules of the customers, seasons and weather conditions. In paving, for example, government contracts are typically tendered early in the year, and the best time to perform the contracts is during warm seasons or when there is no snow.

In addition to paving, also in rail construction, the work period normally runs from early spring to the end of the year. There is also a similar seasonal fluctuation in civil engineering and road construction. Therefore, projects accumulate the most revenue during the period between early summer and the end of the year. Early in the year, project costs and therefore also the revenue of the projects are lower than later in the year, while overhead costs are distributed more evenly than the project costs throughout the year.

GRK's business is characterised by significant seasonal fluctuations, especially between the first and second halves of the year. Due to seasonal fluctuations, the accumulation of the Group's revenue and, in particular, its profitability, is clearly more timed in the second half of the year.

The seasonal nature of operations also has an impact on the development of the Group's working capital items, which are normally at their highest in the summer season and at their lowest at the turn of the year or early in the year, when projects are completed and the last payment installments are invoiced to the customers.

GRK Group's key figures

GRK Group	1–12/2024	1–12/2023	1–12/2022	1–12/2021	1–12/2020
Revenue (EUR million)	728.6	546.2	450.5	430.6	387.3
EBITDA (EUR million)	60.9	37.7	24.4	32.6	31.2
EBITDA %	8.4%	6.9%	5.4%	7.6%	8.0%
Adjusted EBITDA (EUR million)	61.3	38.0	26.3	34.0	32.4
Adjusted EBITDA %	8.4%	7.0%	5.8%	7.9%	8.4%
Operating profit (EUR million)	45.2	24.2	11.4	20.7	21.7
Operating profit margin, %	6.2%	4.4%	2.5%	4.8%	5.6%
Adjusted operating profit (EUR million)	45.6	24.9	13.7	22.6	22.9
Adjusted operating profit margin, %	6.3%	4.6%	3.0%	5.3%	5.9%
Profit for the financial period (EUR million)	36.9	20.1	7.0	15.7	18.6
Equity (EUR million)	119.3	88.9	77.0	78.2	65.1
Return on capital employed (ROCE), % 1)	150.1%	47.8%	16.6%	39.1%	48.3%
Equity ratio, %	42.9%	39.9%	41.9%	43.6%	43.4%
Order backlog at the end of the year (EUR million)	845.6	568.3	381.0	381.6	405.3
Average number of personnel	1,098	1,012	946	888	741

1) Calculation formula of ROCE% has been changed. Comparative periods are restated accordingly.

Parent company GRK Infra Plc	1–12/2024	1–12/2023	1–12/2022*
Revenue (EUR million)	3.5	2.7	171.3
Operating profit (EUR million)	−1.7	−1.3	0.9
Operating profit margin, %	−46.7%	−48.9%	0.5%
Profit (loss) for the period, EUR	24.6	7.9	9.7
Return on equity (ROE), %	17.3%	0.1%	14.6%
Equity ratio, %	51.8%	50.3%	71.2%
Average number of personnel	15	13	224

* The year 2022 is not comparable with other years. The operational construction business of GRK Infra Plc was transferred to the subsidiary GRK Suomi Oy as of October 1, 2022.

Revenue

GRK Group's revenue is primarily comprised of income from Civil engineering and road construction, rail construction and paving contract revenues and environmental technology revenues.

The Group's revenue continued to increase significantly in 2024, increasing by approximately 33% to EUR 728.6 (546.2) million during the period under review.

The positive development of revenue was supported by the higher volume of business as well as good weather conditions. Due to the good weather conditions, we were able to continue many projects efficiently until the end of the year.

The development of revenue was particularly favourable in Sweden, where revenue increased by 65% to EUR 274.1 (165.9) million. The largest contract in GRK's history contributed to the business volume in Sweden. GRK is building earthworks and foundation reinforcement works for the Stegra AB plant project in northern Sweden. The value of the original contract exceeds SEK 2 billion, or close to EUR 200 million. The actual contract was signed in January 2023, but GRK has been awarded new additional contracts thereafter.

The development of revenue has been in line with the strategy, as GRK has sought growth especially in Sweden, in addition to which increasing sales to the private sector has been a strategic goal. GRK has made good progress towards this target: in 2024, the private sector represented 38% (33%) of the Group's sales invoicing.

Finland again accounted for the most significant share of GRK's total revenue. Revenue from Finland increased to EUR 376.3 (335.2) million. Finland accounted for 51.6% (61.4%) of GRK's revenue in 2024.

Revenue in Finland was particularly affected by large projects in rail construction as well as civil engineering and road construction. Many of these projects started during the period under review. An agreement on the implementation phase of the Hailuoto causeway project was signed in April, and construction began thereafter. Revenue was also generated by the Espoo City Rail Link project, in which GRK is responsible for construction work between Leppävaara and Kera. Construction work under the regional contract started in early 2024. GRK is also responsible for the electric track and high-current works for the Espoo City Rail Link.

GRK has also sought to support its business through continuous operations, such as track maintenance. GRK has been responsible for track maintenance in Uusimaa and, during the period under review, the customer and GRK agreed on exercising an extension option that will see GRK continue as the track maintenance provider until 31 March 2027. During the review period, an extension option was also exercised on GRK's contract concerning the maintenance of electric track and high-current systems in the Tampere operations centre area, which means that the maintenance partnership will continue until the end of 2026.

In Estonia, revenue increased to EUR 78.1 (42.1) million. The year-on-year growth in revenue is due to the fact that the large projects won in Estonia in late 2023 and early 2024 are now under way. In Estonia, revenue is generated particularly by rail-related projects. GRK is constructing the new Ülemiste railway station area and its surroundings in Tallinn. The construction work is being carried out for the future Rail Baltica railway and passenger terminal. GRK is also currently implementing the electrification of the Aegviidu–Tapa–Tartu railway line.

Operating profit

The Group's operating profit increased to EUR 45.2 (24.2) million and adjusted operating profit was EUR 45.6 (24.9) million. The improved profitability was particularly driven due to the growth of business in Sweden.

Relative profitability improved significantly in terms of the operating margin, which came to 6.2% (4.4%). This was also influenced by the fact that, despite the significant growth in revenue, fixed costs have not increased at the same rate. GRK has managed to improve its profitability in line with the strategic objective of ensuring healthy profitability across the board. The strategic target is an adjusted operating margin of more than 6% over time.

Another positive aspect of the development of profit performance was that all of the country companies have managed to improve their profitability.

Order backlog

The Group's order backlog stood at EUR 845.6 (568.3) million at the end of the year. GRK has managed to strengthen its order backlog in all of its operating countries and businesses.

The development of the order backlog has been particularly supported by infrastructure construction for a private industrial project in Sweden and new projects in Estonia. In addition, the order backlog of the rail business in Finland has remained at a good level, and it also includes long-term orders. The order backlog includes a significant number of smaller projects in addition to large projects.

The Stegra AB plant project represents a significant share of the order backlog in Sweden, but there are also several civil engineering and road construction projects, such as the Tornio river railway bridge.

In Estonia, the order backlog is dominated by rail projects, for which several new contracts were signed during the period under review. In August 2024, Rail Baltic Estonia chose GRK's Estonian subsidiary and Merko Ehitus Eesti to implement the railway infrastructure between Saku and the border of Harju and Rapla County. The value of the project is approximately EUR 60 million. Railway electrification projects in Estonia also have a positive effect on the order backlog.

In Finland, new contracts were added to the order backlog, especially towards the end of the year, when GRK was chosen to construct two urban development sites in Helsinki, namely the preconstruction of the new residential neighbourhood of Postipuisto, and a bridge and road project in Jätkäsaari. The order backlog in Finland also includes continuing major projects such as the Espoo City Rail Link, the Hailuoto causeway and the national road 9 improvement project.

Not all of GRK's new projects are entered in the order backlog yet, as the tramway projects in Turku and Vantaa are still in the development phase. GRK was selected as a service provider for the construction of the Turku tramway project together with NRC Finland Oy in March 2024. The preliminary total cost estimate of the project is approximately EUR 344 million. Turku City Council will make the investment decision in late 2026 at the earliest. If the decision is positive, the project will be transferred to the order backlog for the implementation phase.

A consortium formed by GRK and Kreate has been chosen to construct the eastern section of the Vantaa tramway between Tikkurila and Länsimäki. During the development phase, the parties responsible for the planning and construction of the tramway will finalise the plans and prepare to start construction in 2025. GRK and Kreate each have a 50% share of the construction of the eastern part of the Vantaa tramway, which is approximately 8.5 kilometres long. The total value of the Vantaa tramway alliance procurement is approximately EUR 660 million, of which the procurement value of the estern part is EUR 217 million.

Significant projects in 2024

Stegra, 5/2022–1/2025, Boden (Sweden)

GRK carries out the foundation and earthworks of Stegra AB's (formerly H2 Green Steel) hydrogen and steel plant. GRK and Stegra AB (then named H2 Green Steel) signed a contract on the project in May 2022, on the basis of which it was agreed to carry out preparatory work. The actual contract was signed in January 2023, after the building permit had been granted. The value of the project was over SEK 2 billion when the contract was signed, but GRK has been awarded new additional contracts by the client thereafter. During 2024, GRK received additional contracts from Stegra worth approximately SEK 1.1 billion. It is estimated that work related to the project will continue until 2026.

Railway electrification and maintenance, Aegviidu–Tapa–Tartu, Estonia 2/2023–12/2025

GRK is implementing the electrification of the Aegviidu–Tapa–Tartu railway line in Estonia. The total value of the project is approximately EUR 79 million. In Estonia, the goal is to electrify most of the country's rail network by the end of 2028. Eesti Raudtee selected GRK Suomi Oy and GRK Eesti AS through competitive tendering to work on a project in which approximately 150 kilometres of the main tracks from Aegviidu to Tartu will be electrified. During the project, GRK will be responsible for the implementation planning and construction of the electrified tracks and feed stations. Also included in the project is the maintenance contract, according to which GRK is responsible for the fault repair and maintenance of the electrified tracks for five years after the construction.

Uusimaa track maintenance, Kuura Alliance 4/2020–3/2027

An alliance comprising GRK, the Finnish Transport Infrastructure Agency and Finrail Oy is responsible for the maintenance of the Uusimaa region's railway and safety equipment until March 2027 at a minimum. The maintenance agreement covers the entire Uusimaa railway network, which serves a high volume of traffic. The railway network includes approximately 1,100 kilometres of track, 1,100 switches, control and safety equipment systems, 440 bridges, 23 kilometres of tunnels and related systems, 2,600 signalling devices, and 100 technical facility buildings. The value of the agreement on the extension option is approximately EUR 56 million.

Hailuoto causeway 5/2024–2026

GRK is responsible for construction in the project to build a causeway connecting Riutunkari in Oulu with Huikku in Hailuoto to replace the current ferry service. The causeway will be approximately 8.4 kilometres long, and it will consist of a road running on top of an embankment and long bridges at Huikku and Riutunkari. The project is implemented under the alliance model. The alliance model is based on a partnership where the various parties form a joint project organisation. The Hailuoto causeway alliance consists of the Finnish Transport Infrastructure Agency, GRK Finland as the developer and AFRY Finland Oy and A-Insinöörit Suunnittelu Oy as the designers. The value of the alliance contract is approximately EUR 105.4 million, including the development phase and the implementation phase. GRK's share of the project's value is approximately 90%. Construction began in spring 2024 and the aim is for the Hailuoto causeway to be operational in late 2026.

Espoo City Rail Link 1/2024–beginning of 2028

GRK is currently implementing the first regional contract of the Espoo City Rail Link. For GRK, the value of the contract is approximately EUR 100 million. In the Espoo City Rail Link project, two additional tracks will be constructed next to the existing tracks between Leppävaara and Kauklahti to improve the flow of local and long-distance train traffic. The Espoo City Rail Link project has been divided into several regional contracts. GRK will start construction work between Leppävaara and Kera. At the same time, we also carry out construction at separate sites in Espoo. Construction work in Espoo began in early 2024 and the project will last until the first half of 2028. GRK is also implementing electric line and high-current works for the Espoo City Rail Link in a separate project. The value for GRK is over EUR 10 million.

Cash flow, financial position and major investments

In January–December, the Group's cash flows from operating activities amounted to EUR 61.5 (2023: 76.0) million, cash flows from investing activities to EUR –15.4 (–12.1) million and cash flows from financing activities to EUR –15.2 (–10.8) million. Cash and cash equivalents have increased by EUR 29.1 million since the turn of the previous year. In addition to the clearly improved result, compared to the previous year, increased efficiency of working capital contributed to the increase in cash and cash equivalents.

Cash and cash equivalents at the end of December totalled EUR 126.7 (31 December 2023: 97.6) million and unused binding overdraft facilities amounted to EUR 11.5 (11.5) million. The Group's interest-bearing liabilities, including lease liabilities, amounted to EUR 38.7 (37.8) million. Net debt totalled EUR –88.0 (–59.9) million and the equity ratio was 42.9% (39.9%), which meant that the Group's solvency remained strong.
Net investments in 2024 amounted to EUR 16.6 (13.8) million and were mainly allocated to asphalting equipment, the rail construction business, pile driving equipment and environmental technology.

The Group adjusted the calculation formulas for certain key financial indicators in the 2024 financial statements. Examples of the indicators affected by the changes to the calculation formulas include net debt, net working capital, return on invested capital, and investments.

The comparison periods have been adjusted to reflect the new calculation formulas.

Strategy

GRK's Board of Directors confirmed the company's updated strategy in late 2024. The Group's updated strategy is for the period 2024–2028. There were no major changes to the previous strategy, but it was refined in many respects.

The strategic intent is that, in 2028, GRK will grow profitably, be a forerunner in sustainable construction and have the most competitive team.

The strategy was updated mainly due to geopolitical changes and the economic outlook, but megatrends were also examined. GRK recognised that geopolitics, the security of supply and the need to safeguard critical infrastructure are key factors in state-level decisions on infrastructure investments. With this in mind, one of the selected strategic priorities is for GRK to be successful in projects related to critical infrastructure and defence.

At the same time, projects related to the sustainable transition of industry and the construction of energy infrastructure are accelerating infrastructure construction. Energy efficiency, the circular economy, low emissions and halting biodiversity loss are at the heart of sustainable infrastructure construction. Accordingly, GRK wants to strengthen its share of green transition projects.

GRK operates in Finland, Estonia and Sweden. In order to implement the strategy, the aim is to expand into new areas of infrastructure construction and new geographic regions, especially in Sweden, as GRK's projects have thus far been focused on northern Sweden.

The availability of skilled and motivated personnel is a challenge in the construction industry. GRK's aim is to attract and retain the best skilled professionals. GRK wants to be an operator that develops its own experts for current and future projects. GRK's success has been driven by the company's entrepreneurial culture, and this will not change. Fostering cooperation and coherence between different operating countries and business areas is also a strategic priority. Leading the way in sustainable construction is a key element of GRK's strategy.

The Group's financial targets have been updated in connection with the renewal of the strategy. The core idea is to ensure healthy profitability in all operations.

GRK measures the success of its strategy by means of the Group's financial targets, which GRK intends to achieve by the end of 2028:

- Revenue in excess of EUR 750 million by 2028
- An adjusted operating profit margin of more than 6% over time
- A healthy capital structure in which the ratio of net debt to adjusted EBITDA (rolling 12 months) is lower than 1.5x over time
- A return on invested capital of more than 20% over time
- The aim is to distribute growing dividends that represent at least 40% of the annual net profit over time

Personnel

In 2024, the GRK Group had an average of 1,098 (1,012) employees. The number of employees has increased in all operating countries, but especially in Estonia.

In January–December, the Group's personnel expenses amounted to EUR 105.6 (92.3) million, an increase of 14% from the comparison year.

Average number of personnel by country	1–12/2024	1–12/2023	1–12/2022
Finland	903	854	819
Sweden	98	83	50
Estonia	97	76	76
Group total	**1,098**	**1,012**	**946**

Research and development

GRK's strategy calls for significant investments in research and development.

In 2024, our research activities focused especially on the development of environmental technology, because, in accordance with the strategy, we are seeking strong growth in the implementation of construction projects that enhance the security of energy supply and the circular economy.

Environmental technology development projects support all of our business operations. They allow us to respond to the increasing requirements for sustainable construction.

Biomaterials project

In a joint project launched in 2024 by GRK, Rosk'n Roll, Kiertoravinne and Redono, the main goal is to create a circular economy ecosystem for various biomaterials at the Munkkaa waste management centre in Lohja. Among other things, the companies are testing the suitability of biochar for various purposes ranging from wastewater treatment to mushroom cultivation and soil improvement in agriculture.

Biochar and pellet

GRK started producing biochar in 2023, but the production operations at the production facility were interrupted by a fire that occurred in early 2024. Biochar plant development has continued to play a strong role in launching and growing new business. GRK has supplemented its range of low-carbon services and products by investing in a pellet plant that went into production in 2024. Pellet sales have also begun.

Non-financial information

GRK's sustainability is based on the company's strategy, values and commitments. GRK's sustainability goals are outlined in the Group's strategy, with the strategic intent of leading the way in sustainable construction. The performance indicators include safety, customer satisfaction, commitment to the Circular Economy Green Deal, the growth of the environmental technology business, zero adverse environmental incidents, and net zero emissions from GRK's own operations by 2035.

Environmental responsibility

GRK's environmental management procedures comply with the ISO 14001:2015 environmental management system standard. The environmental management system together with the safety (ISO 45001:2018) and quality management systems (ISO 9001:2015) form the company's operating system, which is certified in accordance with the relevant management system standards. The annual external audits of the operating system required for maintaining the certificates are carried out by DNV Business Assurance Finland Oy Ab.

Operations in accordance with the environmental certificate are also monitored through weekly safety and environmental inspections at construction sites, regular site inspections and internal audits. Environmental activities are part of the normal day-to-day operations of construction sites.

The construction sector has a significant impact on biodiversity loss. The use of natural resources and land use in construction weaken endangered habitat types. The spread of invasive species and carbon dioxide emissions caused by the built environment, as well as the pollution of the environment, also have a negative impact on biodiversity.

GRK has outlined targets and actions in a nature and climate roadmap. GRK's nature and climate roadmap is an annually updated tool. The aim is to introduce new business to the construction sector to improve biodiversity and promote climate change mitigation and adaptation. GRK also wants to reduce costs by improving the recycling and reuse of materials, as well as waste management.

The nature and climate roadmap includes the long-term target of reducing GRK's emissions to net zero by 2050, and reducing the emissions caused by GRK's own operations (scope 1 & 2) to net zero by 2035. In the short term, GRK is seeking approval for emission reduction targets aligned with the Science Based Targets initiative (SBTi). The target is to reduce emissions by 50% by 2040, using 2030 as the base year.

GRK made a commitment to the voluntary Circular Economy Green Deal in 2024. Organisations that commit to the Green Deal set targets for reducing their use of natural resources and promoting a low-carbon circular economy. GRK's targets include tripling the company's annual use of recycled materials to 1.5 million tonnes by 2035.

The sustainability rating agency EcoVadis assessed GRK's operations for the first time in 2024. GRK received a score of 54/100 in the overall assessment.

Reporting

The EU's Corporate Sustainability Reporting Directive (CSRD) lays down strict requirements for sustainability reporting by companies. GRK reports in compliance with the CSRD from the beginning of 2025. As part of our preparations for CSRD-compliant reporting, we have carried out a double materiality assessment in collaboration with the Upright Project (Upright). We report on the double materiality assessment in GRK's annual and sustainability report for the year 2024. The same report also includes disclosures on GRK's sustainability targets and related metrics, such as the development of the carbon footprint, carbon intensity, the use of recycled materials and the share of renewable electricity.

Social responsibility: Becoming a pioneer in sustainable construction

GRK has engaged in long-term safety efforts for several years. One indicator is the accident frequency, which describes the number of accidents causing sick leave per one million hours worked.

The accident frequency has developed in the right direction. The accident frequency for the Group was 7.9 (13.1). Including subcontractors' employees, the accident frequency was 8.6 (10.7). There were 15 (24) accidents resulting in lost time among GRK's personnel in 2024. During the year, a fatal occupational accident occurred at a GRK site. It was GRK's first-ever fatal accident involving the company's own personnel. GRK assisted the authorities in investigating the incident and also conducted its own investigation into the causes of the accident in order to ensure the integrity and safety of the company's own operating practices.

For 2024, the target was to have an accident frequency rate of less than 8, taking into account both in-house employees and the employees of subcontractors, but the target was only achieved for in-house employees.

The fact that the number of safety observations has been significantly increased can be considered to be a favourable trend. A total of 2,324 (1,882) safety observations were made in 2024, and the observations have been good and of high quality.

Employee satisfaction

GRK Group measures employee satisfaction annually by means of a pulse survey. The 2024 pulse survey was responded to by 721 employees for a response rate of 68%. The pulse score for the Group was 4.0 out of 5. The averages ranged from 3.97 to 4.2 out of 5 for different groups of respondents. The pulse score and the response rate were largely unchanged from 2023, when the pulse score was 3.9 out of 5 and the response rate was 70%.

GRK uses eNPS (Employee Net Promoter Score as a strategic indicator of overall satisfaction. In 2024, GRK Group's overall satisfaction increased from previous years to an eNPS of 37 (29), which is a fine achievement. The corresponding figure was 29 in 2023 and 23 in 2022. GRK Group's strategic eNPS target is an eNPS of over 40.

GRK introduced a regular pulse survey as a new indicator of personnel well-being in 2024. The aim is to correct quarterly data on the development of matters that are perceived to be relevant. The average response rate in the pulse survey was 37%, and the score for occupational well-being was 8 on a scale of 1–10.

Corruption and bribery

GRK's ethical guidelines are aggregated into the principles of fair operations, which include the Group's common code of conduct. The principles of fair operations are based on legislation, official regulations and the company's values, based on which concrete procedures have been built for GRK's management and employees for different scenarios. GRK's goal is also to commit our partners to the principles of fair operations and to ensure that they follow similar practices in their cooperation with GRK.

The online course on fair operations was updated in 2024. The principles of fair operations were also highlighted during site tours in Finland and Sweden. The principles of fair operations were also one of the main themes of the personnel day organised in Finland.

Combatting the grey economy and preventing bribery and corruption are part of GRK's principles of fair operations.

GRK has zero tolerance for bribery and corruption. GRK's anti-corruption principles were approved in late 2024. They summarise GRK's commitment to the prevention of corruption and bribery, and complement the principles of fair operations. The anti-corruption principles lay down principles and procedures for preventing bribery and corruption, provide examples of situations that may arise in day-to-day operations and include instructions on what to do in such situations.

GRK has an anonymous whistleblowing channel for anyone to report grievances or suspicions of fraud concerning the company.

The whistleblowing channel can be used to report, for example, shortcomings in occupational safety and health, breaches of equality, non-discrimination and equality, conflicts of interest, suspicions of the black economy, money laundering or terrorist financing, as well as bribery and corruption. All reported violations are investigated appropriately and confidentially.

Most significant risks and uncertainties

GRK Group's comprehensive risk management develops joint procedures to identify, assess, manage and monitor risks related to the achievement of goals and the continuity of operations. The task of risk management is to ensure the effective implementation of the company's strategy in both the short and long term. Risk management aims to ensure the achievement of financial goals.

Risk management is implemented throughout the GRK Group at all levels of operations as part of the operating system in accordance with good governance principles. Mitigating risks and identifying opportunities is part of day-to-day business management. A systematic risk management process includes active, proactive and protective measures that both protect against threats and identify opportunities.

The GRK Group classifies risks into five risk areas. Strategic risks are often related to external events and changes, changes in society or the operating environment, legislation and the market situation, which affect long-term plans and strategic goals. Operational risks are related to the day-to-day operations of the organisation, especially on construction sites and projects.

The key starting point for project risk management in our operations is the identification of project-related risks and good management from the tender calculation of the projects to their completion.

Financial risks are related to economic and financial factors.

Damage risks are caused by unexpected and sudden events and can be occupational accidents, incidents and damage to third parties. Compliance risks are related to compliance with legislation, government regulations, GRK's values and the principles of fair operations.

Key risk:

Risk	Risk management measures
Rapid expansion of operations	Developing the management system so that operations are less dependent on individuals.
Dependence on public procurement	Development of the offering, development of tendering, active monitoring of the market, high-quality implementation of projects
Misconduct related to projects or other operations	Development measures related to project management and quality management processes, monitoring, the principles of fair operations and training related to them
Large joint rail and other projects between the Finnish and Estonian companies	Communicating the plan to the organisation and external stakeholders well in advance of the change, ensuring a managed change
Individual infrastructure construction projects may have a significant impact on the profitability and volume of GRK's business	Identification and pricing of project risks, highly competent project personnel, cooperation and the monitoring of implementation

Legal proceedings

GRK has been accused of an environmental violation. The charge was dismissed by the Helsinki Court of Appeal on 23 October 2024. The decision of the court is legally valid. The case concerned the transport of recycled metal by GRK Infra Plc, and the prosecutor's demands were related to the permit procedure for non-hazardous mineral material exported to the EU. The transport of metals and minerals has not endangered the environment. Instead, the case was about a difference in interpretation concerning transport documents.

Management and auditors

Board

On 26 March 2024, the Annual General Meeting of GRK Infra Plc re-elected **Keijo Haavikko**, **Kari Kauniskangas**, **Johanna Korhonen**, **Esa Lager**, **Jukka Nikkanen** and **Tarja Pääkkönen** as members of the Board of Directors.

Kari Kauniskangas was elected as Chair of the Board of Directors of GRK Infra Plc at the organisational meeting of the Board of Directors on 28 March 2024. Keijo Haavikko was elected as Vice Chair. Jukka Nikkanen (Chair), Esa Lager and Kari Kauniskangas were elected as the members of the Audit Committee.

Auditor

GRK Infra Plc's Management Team on 31 December 2024:

- **Juha Toimela** (President and CEO of GRK Infra Plc and CEO of GRK Suomi Oy)
- **Mikko Nyhä** (Executive Vice President of GRK Suomi Oy, Business Director, Rail)
- **Johanna Korhonen** (HR Director)
- **Anneliina Kupiainen** (Business Director, Environmental Technology)
- **Johanna Metsä-Tokila** (General Counsel)
- **Mika Mäenpää** (CEO, GRK Sverige AB)
- **Jaakko Mäkelä** (Business Director, Civil Engineering and Road Construction and Paving)
- **Markku Puolanne** (Chief Financial Officer)
- **Timo Pinomäki** (Chief Risk Officer)
- **Riina Rantsi** (Director, Business Development, Sustainability, Marketing and Communications)
- **Tiit Roben** (CEO, GRK Eesti AS)

The following changes occurred in the management team during the reporting period:

- GRK Infra Plc's Executive Vice President and Board member Keijo Haavikko has decided to leave operational activities. To replace Haavikko, Anneliina Kupiainen, Director, GRK Sverige AB, was appointed to the GRK Group Management Team on 1 January 2024. She is in charge of the environmental technology business

Resolutions of the Annual General Meeting

Annual General Meeting

The Annual General Meeting of GRK Infra Plc was held in Vantaa on 26 March 2024.

The Annual General Meeting resolved, in accordance with the Board of Directors' proposal, that the company distribute a dividend of EUR 0.165 per share, or approximately EUR 6.6 million, for the financial year that ended on 31 December 2023.

The meeting elected **Kari Kauniskangas**, **Keijo Haavikko**, **Jukka Nikkanen**, **Johanna Korhonen**, **Tarja Pääkkönen** and **Esa Lager** as members of the Board of Directors.

In its organisational meeting held on 28 March 2024 after the Annual General Meeting, Kari Kauniskangas was elected as Chair of the Board. Keijo Haavikko was elected as Vice Chair of the Board.

The first meeting also elected the members and Chair of the Audit Committee: Jukka Nikkanen (Chair), Kari Kauniskangas and Esa Lager. The Annual General Meeting also adopted the financial statements for 2023 and discharged the members of the Board of Directors and the CEO from liability.

The Board's remuneration was decided on by the Annual General Meeting.

PricewaterhouseCoopers Oy (PwC) was chosen as the company's auditor. The principal auditor is **Markku Launis**, Authorised Public Accountant (KHT).

The Annual General Meeting also approved GRK's ownership strategy and authorised the Board of Directors to decide on the acquisition and pledging of the company's own shares, as well as a share issue and the granting of special rights entitling to shares.

Share

Changes in the number of shares and share issues

At the beginning of the financial period, the company held a total of 887,080 of its own shares. The own shares held by the company were annulled on 16 April 2024.

Under the authorisation granted by the Annual General Meeting, on 15 May 2024, the company's Board of Directors decided on a directed share issue to CEO Juha Toimela. A total of 18,870 new shares were subscribed for in the share issue. The new shares were entered in the Trade Register on 26 July 2024.

The number of shares on 31 December 2024 was 39,873,038.

Repurchase of own shares

During the financial year, the company acquired a total of 2,312,092 of its own shares from individual shareholders, of which 1,210,177 shares were redeemed from Keijo Haavikko, a related party of the company, at a price of 2,634 thousand euros. On 31 December 2024, the company held a total of 2,312,092 shares, which account for 5.8% of all company shares and votes.

Company shares

At the end of the review period, the company's share capital is EUR 80,000. The company has a total of 39,873,038 shares. All company shares confer equal rights to dividend, the company's assets and voting at general meetings. The company's shares are subject to the redemption and consent clauses according to the Articles of Association.

Related party loans

The company has granted loans to the company's key personnel to finance part of their subscription price for the company's shares. The terms and conditions of the loans are market-based, and the shares subscribed by these persons in the directed share issue are collateral. The amount of related party loan receivables at the end of the review period is EUR 450 thousand (31 December 2023: EUR 566 thousand).

The parent company has also granted loans to its subsidiaries totaling 10,054 thousand euros (December 31, 2023: 7,377 thousand euros). The granted loans are on market terms. Additionally, the parent company has provided guarantees on behalf of group companies for lease and hire purchase liabilities amounting to 14,807 thousand euros (December 31, 2023: 11,115 thousand euros) and counter-guarantees for subsidiary contract agreements amounting to 166,362 thousand euros (December 31, 2023: 102,724 thousand euros).

Outlook for 2025

The economy is starting to recover from the recession. Inflation and interest rates will continue to decrease slowly. The market situation will nevertheless remain uncertain. Public infrastructure construction is growing slightly in Finland, Sweden and Estonia. In Finland, growth is boosted by the Finnish Government's EUR 3 billion support package. In Finland and Sweden, business opportunities and growth potential are seen in the projects of large cities, the private sector, the green transition, defence administration and border security. In Estonia, investments are heavily focused on Rail Baltica and the electrification of the Estonian railway network.

Financial guidance for 2025

GRK estimates that its revenue in 2025 will be in the range of EUR 650–730 million (2024: EUR 728.6 million) and the adjusted operating profit for 2025 will amount to EUR 36–45 million (2024: EUR 45.6 million)

Background for the financial guidance

The financial guidance is based on an estimate of the recognition of revenue from the existing order backlog in 2025, in accordance with the margin on the order backlog. In addition, the outlook is based on an estimate of new project acquisition and the progress of projects in the development phase, as well as the recognition of revenue from those projects, in 2025.

Board of Directors' proposal for the distribution of profits

The company's distributable funds amount to EUR 95,854,184.60, of which the profit for the financial period is EUR 24,633,807.13.
The Board proposes to the Annual General Meeting that the distributable funds be used as follows:

Distribute a dividend of EUR 0.204 for each share outstanding on the dividend payout date, totalling 37,560,946 shares, or EUR 7,662,432.98

Retain EUR 88,191,751.62 in equity.

The company's liquidity is good and the proposed distribution of profits will not compromise the company's liquidity.

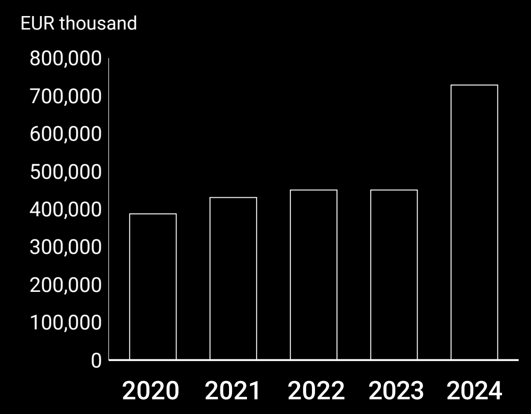
Events after the financial period

- The current CEO of GRK (GRK Infra Plc), Juha Toimela, will reach the retirement age specified in his contract in 2025. On 8 January 2025, GRK announced that the Board of Directors has decided to appoint Mika Mäenpää, CEO of GRK Sverige AB, as the company's future CEO. According to the current estimate, the change of CEO will take place by 30 September 2025 at the latest. Juha Toimela will provide Mika Mäenpää support in the transfer of duties until the end of the year, if necessary. Until the change, Juha Toimela and Mika Mäenpää will continue to be responsible for their current duties.
- On 24 January 2025, GRK announced that Carl Andersson has been appointed as CEO of GRK Sverige AB and a member of GRK's Group Management Team. Andersson has extensive experience in the construction industry and he has worked at GRK for several years. According to the current estimate, Carl Andersson will start as CEO of the country company in Sweden by 30 September 2025, at which time Mika Mäenpää will take over as the CEO of GRK Infra Plc.

Key figures

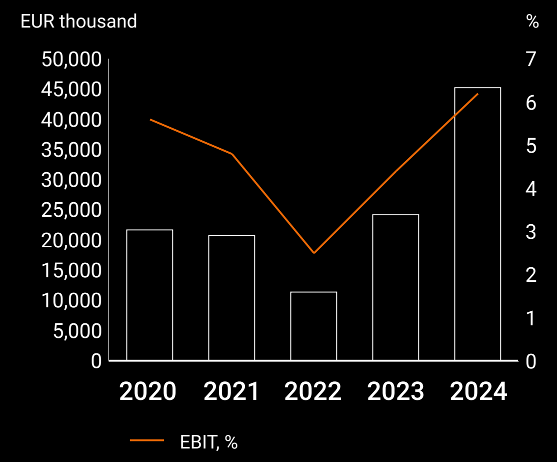
Revenue

729



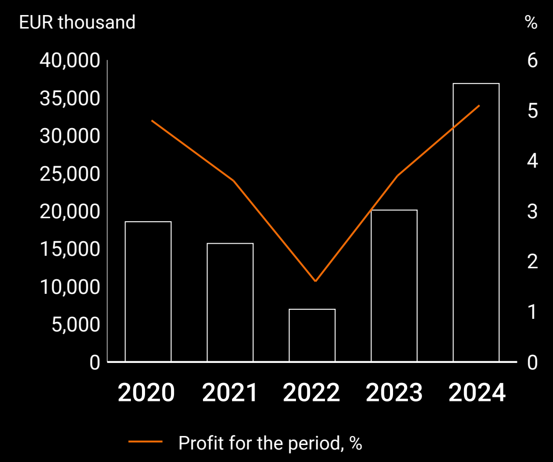
Operating profit (EBIT)

45.2



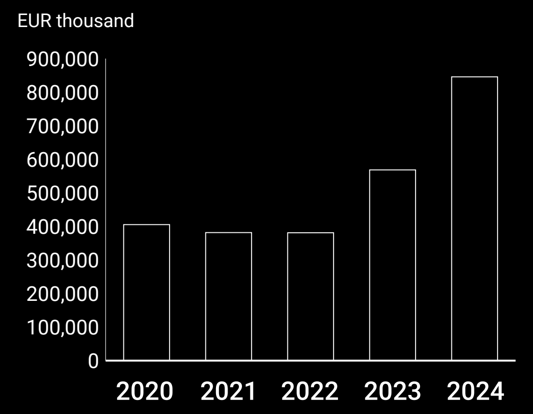
Profit for the financial period

36.9



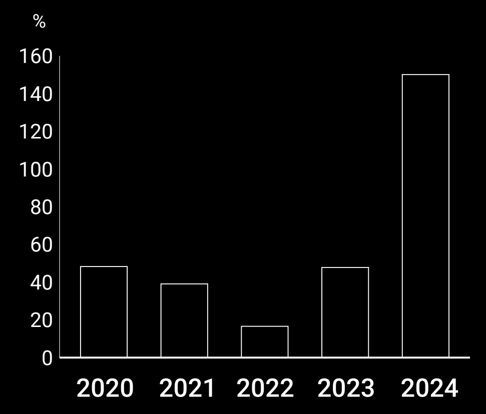
Order backlog at end of the period

846



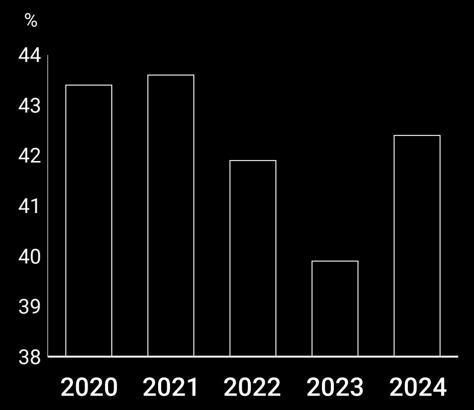
Return on capital employed, % (ROCE-%)

150.1



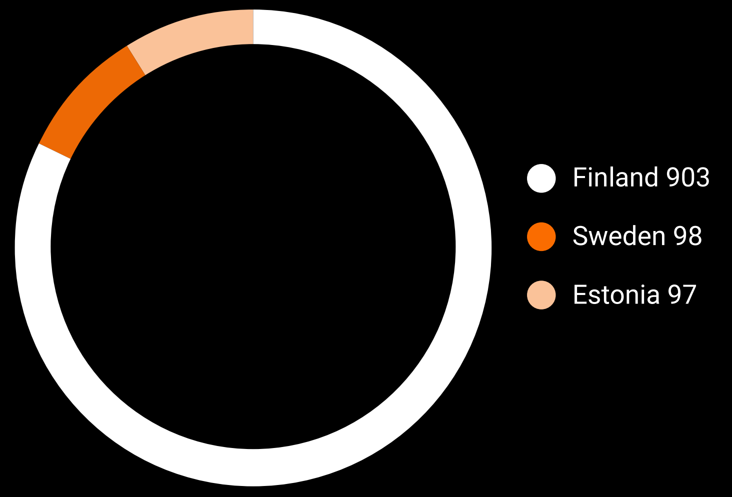
Equity ratio, %

42.9



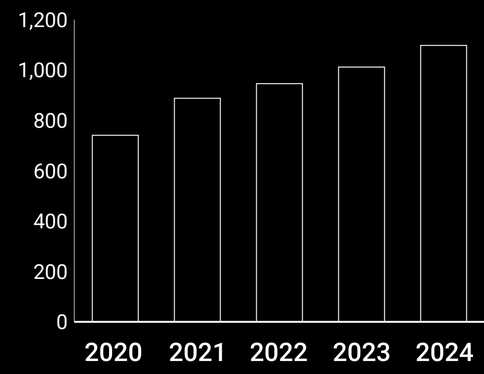
Average number of personnel for the countries

1,098



Average number of personnel

1,098



Key figures

EUR thousand	2024	2023	2022	2021	2020
Revenue	728,550	546,187	450,459	430,586	387,259
Change in revenue, %	33.4 %	21.3%	4.6%	11.2%	29.7%
EBITDA	60,930	37,693	24,403	32,599	31,169
EBITDA margin, %	8.4 %	6.9%	5.4%	7.6%	8.0%
Adjusted EBITDA	61,295	38,048	26,285	33,961	32,402
Adjusted EBITDA margin, %	8.4 %	7.0%	5.8%	7.9%	8.4%
EBITA	45,527	24,689	11,858	20,904	21,705
EBITA margin, %	6.2 %	4.5 %	2.6 %	4.9 %	5.6 %
Adjusted EBITA	45,892	25,044	13,876	22,811	22,938
Adjusted EBITA margin, %	6.3 %	4.6 %	3.1 %	5.3 %	5.9 %
Operating profit (EBIT)	45,200	24,162	11,364	20,724	21,654
Operating profit margin (EBIT %), %	6.2 %	4.4%	2.5%	4.8%	5.6%
Adjusted operating profit (Adjusted EBIT)	45,566	24,860	13,689	22,630	22,887
Adjusted operating profit (Adjusted EBIT) margin, %	6.3 %	4.6%	3.0%	5.3%	5.9%
Profit (loss) for the period	36,885	20,121	6,983	15,698	18,576
Profit (loss) for the period, % of revenue	5.1 %	3.7%	1.6%	3.6%	4.8%
Basic earnings per share, EUR [1]	0.93	0.50	0.18	0.39	0.47
Diluted earnings per share, EUR [1]	0.93	0.50	0.18	0.39	0.47
Net debt [2]	−88,024	−59,866	−4,854	−13,779	−23,573
Net debt/EBITDA [2]	−1.4	−1.6	−0.2	−0.4	−0.8
Net debt/Adjusted EBITDA [2]	−1.4	−1.6	−0.2	−0.4	−0.7
Net working capital [2]	−52,985	−51,115	−3,719	−1,106	−14,837
Equity	119,262	88,852	77,040	78,181	65,056
Equity ratio %	42.9 %	39.9%	41.9%	43.6%	43.4%
Return on capital employed, % (ROCE %) [2]	150.1 %	47.8 %	16.6 %	39.1 %	48.3 %
Return on equity (ROE), %	35.4 %	24.3%	9.0%	21.9%	32.1%
Capital expenditure [2]	16,586	13,765	19,106	17,959	12,423
Operating free cash flow [2]	41,257	61,477	−1,477	−3,706	32,372
Order backlog at end of the period	845,642	568,318	381,017	381,559	405,336
Accident frequency rate	7.9	13.1	11.6	7.9	10.7
Sickness absence %	2.3%	2.0%	2.9%	1.6%	1.4%
Average number of personnel during the year	1,098	1,012	946	888	741

[1] Earnings per share, basic and diluted, during the financial periods ending on 31 December 2021, 31 December 2020 and 31 December 2019 has been adjusted in order to account for the correction related to the number of shares used.
[2] Calculation formulas of Net debt, Net debt / EBITDA, Net working capital, ROCE% , Investments and Operating free cash flow have been changed. Comparative periods are restated accordingly.

Calculation formulas for key figures

Key figure		Calculation formula	Reason for use
Change in revenue, %	=	$\frac{\text{Revenue – revenue for the comparison period}}{\text{Revenue for the comparison period}} \times 100$	The increase of revenue indicates the development of GRK's business.
Items affecting comparability	=	Key items outside the ordinary course of business relating to i) transaction costs related to company acquisitions or business purchases (whether implemented or not) ii) gains and losses or impairments generated by the sale of tangible and intangible assets and subsidiaries and affiliates iii) restructuring costs, including termination benefits, as well as strategic restructuring and examination-related costs v) costs related to preparations for and the implementation of the Company's listing on the stock exchange and v) unusual legal and arbitration costs	Items affecting comparability are presented in order to demonstrate the Group's business performance and to improve the comparability between financial periods. The Group sees that these adjustments offer relevant additional information and improve the comparability between financial periods when the items outside the ordinary course of business are not taken into account.
EBITDA	=	Operating profit (loss) + depreciation, amortisation and impairment	EBITDA describes the profitability of the Group's business operations before depreciations, amortisations and impairment.
EBITDA margin	=	$\frac{\text{EBITDA}}{\text{Revenue}} \times 100$	
Adjusted EBITDA	=	Operating profit (loss) + depreciation, amortisation and impairment + items affecting comparability	Adjusted EBITDA is presented in addition to EBITDA in order to describe the underlying profitability of business operations and improve the comparability of different periods.
Adjusted EBITDA margin	=	$\frac{\text{Adjusted EBITDA}}{\text{Revenue}} \times 100$	
EBITA	=	Operating profit (loss) + amortisation and impairment of intangible assets	Operating profit before amortisation and impairment of intangible assets is an indicator of the Group's profitability.
EBITA margin, %	=	$\frac{\text{EBITA}}{\text{Revenue}} \times 100$	Operating profit before amortisation and impairment of intangible assets is an indicator of the Group's profitability.
Adjusted EBITA	=	EBITA + items affecting comparability	Adjusted operating profit before depreciation, amortisation and impairment of intangible assets is an indicator of the Group's profitability.
Adjusted EBITA margin, %	=	$\frac{\text{Adjusted EBITA}}{\text{Revenue}} \times 100$	
Operating profit (loss) (EBIT)	=	Revenue + other operating income – materials and services – employee benefit expenses – other operating expenses – depreciation, amortisation and impairment	Operating profit (loss) indicates the profit generated from the business.

Key figure		Calculation formula	Reason for use
Operating profit (EBIT) margin	=	$\frac{\text{Operating profit (loss) (EBIT)}}{\text{Revenue}} \times 100$	
Adjusted operating profit (adjusted EBIT)	=	Operating profit (loss) + items affecting comparability	Adjusted EBIT is presented in addition to operating profit (EBIT) in order to describe the underlying profitability of business operations and improve the comparability of different periods.
Adjusted operating profit (adjusted EBIT) margin, %	=	$\frac{\text{Adjusted operating profit (adjusted EBIT)}}{\text{Revenue}} \times 100$	
Profit (loss) for the period, % of revenue	=	$\frac{\text{Profit (loss) for the period}}{\text{Revenue}} \times 100$	Measure indicating profitability.
Basic earnings per share	=	$\frac{\text{Profit (loss) for the period}}{\text{Average number of shares adjusted for share issues, excluding own shares}}$	The purpose of earnings per share is to help describe the distribution of the company's result amongst its shareholders.
Diluted earnings per share	=	$\frac{\text{Profit (loss) for the period}}{\text{Diluted average number of shares adjusted for share issues, excluding own shares}}$	
Equity ratio, %	=	$\frac{\text{Total equity (including non-controlling interests)}}{\text{Balance sheet total – contract liabilities (advances received)}} \times 100$	The purpose of the equity ratio is to describe the ratio of equity to the size of the Group's balance sheet.
Net debt[1)]	=	Borrowings + lease liabilities – cash and cash equivalents	The purpose of net debt is to describe the total amount of the Group's external debt financing less cash assets.
Net debt/EBITDA	=	$\frac{\text{Borrowings + lease liabilities – cash and cash equivalents}}{\text{Operating profit (loss) + depreciation, amortisation and impairment}}$	This indicator helps to demonstrate the level of risk relating to financing and is useful when monitoring the level of the Company's indebtedness and is also a covenant for borrowings.
Net debt/Adjusted EBITDA	=	$\frac{\text{Borrowings + lease liabilities – cash and cash equivalents}}{\text{Operating profit (loss) + depreciation, amortisation and impairment + Items affecting comparability}}$	This indicator helps to demonstrate the level of risk relating to financing and is useful when monitoring the level of the Company's indebtedness and improves the comparability of different periods.
Net working capital [2)]	=	Long-term receivables + inventories + trade receivables and other receivables – non-current other liabilities less other financial liabilities – contract liabilities (advances received) – trade payables and other current liabilities – provisions	Net working capital is a useful indicator for monitoring the level of working capital directly tied to business operations and changes in it.

Key figure		Calculation formula		Reason for use
Return on capital employed, % (ROCE -%)	=	Operating profit (loss) / Equity + Net debt (on average during the financial year)	× 100	Demonstrates how much return GRK Group can generate on capital employed.
Return on equity, % (ROE -%)	=	Profit (loss) for the period / Total equity on average during the financial year	× 100	Demonstrates how much return GRK Group can generate on its equity.
Capital expenditure	=	Acquisition of property, plant and equipment and intangible assets in the cash flow statement		Capital expenditure indicates how much GRK Group is allocating its resources towards future growth and is also used in calculating the operating free cash flow.
Operating free cash flow	=	Net cash flow from operating activities on the cash flow statement – Acquisition of property, plant and equipment and intangible assets on the cash flow statement - Proceeds from sale of property, plant and equipment on the cash flow statement - repayments of lease liabilities on the cash flow statement		Operating free cash flow gives information on the cash flow that GRK Group can generate after capital expenditure.
Order backlog at end of the period	=	Transaction price allocated to partially fulfilled or completely unfulfilled performance obligations and estimated transaction price of new projects		Indicates how much revenue will be generated in the future from confirmed customer contracts.
Accident frequency (without subcontractors)	=	Number of accidents / Hours worked × million (h)		Accident frequency rate indicates the number of accidents suffered by GRK's own personnel. Essential for a healthy and safe work environment.
Sickness Absence -%	=	Days of disability × 0.8 / (Number of employees × selected period length × 0.7) × 100		Sick leave percentage indicates the sick leaves of GRK's own personnel. Essential for well-being at work and a healthy and safe work environment.

[1] The other financial liability included in other non-current liabilities in 2019–2021 has not been taken into account as part of net debt due to the nature of the item. This item is an additional equity investment made by a subsidiary's former shareholder (Aktieägartillskott), which must be returned to the original investor in the event that the subsidiary in question accumulates a corresponding amount of distributable funds. The item was repaid during the fiscal year ending on December 31, 2022.

[2] The Company's management has classified business acquisition purchase price debt included in the other non-current liabilities as an item of net working capital, because it is a longer interest-free payment period obtained for part of the purchase price. In addition, the other financial liability included in other non-current liabilities in 2019–2021 has not been taken into account as part of net working capital due to the nature of the item. This item is an additional equity investment made by a subsidiary's former shareholder (Aktieägartillskott), which must be returned to the original investor in the event that the subsidiary in question accumulates a corresponding amount of distributable funds.

Reconciliation of alternative performance measures

Items affecting comparability

EUR thousand	2024	2023	2022	2021	2020
Transaction costs concerning acquisitions or business purchases	-	-	6	96	158
Gains and losses and impairments generated by the sale of tangible and intangible assets and subsidiaries and affiliates	-	342	444	544	-
Restructuring costs	-	295	161	-	888
Costs related to preparations for and the implementation of the Company's listing on the stock exchange	366	-	1,459	707	187
Unusual legal and arbitration costs.	-	60	255	559	-
Items affecting comparability	**366**	**698**	**2,325**	**1,907**	**1,233**

EBITDA and Adjusted EBITDA

EUR thousand	2024	2023	2022	2021	2020
Operating profit (loss)	45,200	24,162	11,364	20,724	21,654
Depreciation, amortization and impairment	15,729	13,531	13,040	11,875	9,514
EBITDA	**60,930**	**37,693**	**24,403**	**32,599**	**31,169**
Items affecting comparability	366	355	1,881	1,362	1,233
Adjusted EBITDA	**61,295**	**38,048**	**26,285**	**33,961**	**32,402**

EBITA and ADJUSTED EBITA

EUR thousand	2024	2023	2022	2021	2020
Operating profit (loss)	45,200	24,162	11,364	20,724	21,654
Amortisation and impairment of intangible assets	326	527	494	180	51
EBITA	**45,527**	**24,689**	**11,858**	**20,904**	**21,705**
Items affecting comparability	366	355	2,018	1,907	1,233
Adjusted EBITA	**45,892**	**25,044**	**13,876**	**22,811**	**22,938**

Adjusted EBIT

EUR thousand	2024	2023	2022	2021	2020
Operating profit (loss)	45,200	24,162	11,364	20,724	21,654
Items affecting comparability	366	698	2,325	1,907	1,233
Adjusted EBIT	**45,566**	**24,860**	**13,689**	**22,630**	**22,887**

Equity ratio, %	2024	2023	2022	2021	2020
Total equity	119,262	88,852	77,040	78,181	65,056
Total assets	346,287	280,308	215,108	205,906	174,431
Contract liabilities	56,172	57,788	31,343	26,600	24,684
Equity ratio, %	**42.9 %**	**39.9%**	**41.9%**	**43.6%**	**43.4%**

Net debt

EUR thousand	2024	2023	2022	2021	2020
Non-current borrowings	16,733	18,750	21,332	18,791	14,977
Current borrowings	9,747	7,184	6,170	4,179	3,351
Non-current lease liabilitites	7,913	8,060	7,092	8,202	7,810
Current lease liabilities	4,277	3,777	3,572	3,504	3,208
Cash and cash equivalents	126,693	97,636	43,020	48,456	52,919
Net debt	**−88,024**	**−59,866**	**−4,854**	**−13,779**	**−23,573**

Net working capital

EUR thousand	2024	2023	2022	2021	2020
Non current receivables	4,696	4,040	4,706	5,303	1,173
Inventories	6,723	5,092	5,569	5,756	2,800
Trade receivables and other receivables	109,208	91,252	84,368	77,832	58,084
Other non-current liabilities	571	447	221	1,805	3,009
- excluding other financial liabilities	-	-	-	1,538	1,447
- Contract liabilities	56,172	57,788	31,343	26,600	24,684
- Trade payables and other current liabilities	108,247	84,864	62,871	59,248	50,033
Non-current provisions	2,379	3,578	2,949	1,560	404
Current provisions	6,244	4,821	977	2,322	210
Net working capital	**−52,985**	**−51,115**	**−3,719**	**−1,106**	**−14,837**

Return on capital employed % (ROCE %)

EUR thousand	2024	2023	2022	2021	2020
Operating profit (loss)	45,200	24,162	11,364	20,724	21,654
Equity	119,262	88,852	77,040	78,181	65,056
Net debt	−88,024	−59,866	−4,854	−13,779	−23,573
Capital employed, beginning	**28,987**	**72,186**	**64,402**	**41,483**	**48,166**
Capital employed, end of period	**31,238**	**28,987**	**72,186**	**64,402**	**41,483**
Capital employed, average during the period	30,112	50,586	68,294	52,942	44,825
Return on capital employed % (ROCE %)	150.1%	47.8%	16.6%	39.1%	48.3%

Return on equity % (ROE %)

EUR thousand	2024	2023	2022	2021	2020
Profit (loss) for the period	36,885	20,121	6,983	15,698	18,576
Equity, beginning	88,852	77,040	78,181	65,056	50,632
Equity, end of period	119,262	88,852	77,040	78,181	65,056
Equity, average during the period	**104,057**	**82,946**	**77,610**	**71,618**	**57,844**
Return on equity % (ROE %)	**35.4%**	**24.3%**	**9.0%**	**21.9%**	**32.1%**

Operating free cash flow

EUR thousand	2024	2023	2022	2021	2020
Net cash flow from operating activities	61,536	76,032	20,976	17,273	47,976
Acquisition of property, plant and equipment and intangible assets in the cash flow statement	−16,586	−13,765	−19,106	−17,959	−12,423
Proceeds from sale of property, plant and equipment	875	3,103	749	485	107
Repayments of lease liabilities	−4,568	−3,892	−4,096	−3,505	−3,287
Operating free cash flow	**41,257**	**61,477**	**−1,477**	**−3,706**	**32,372**

Consolidated statement of comprehensive income

EUR thousand	Note	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Revenue	1	**728,550**	**546,187**
Other operating income	3	1,849	7,151
Materials and services	4	−530,090	−395,734
Employee benefit expenses	5	−105,593	−92,281
Depreciation, amortisation and impairment	6	−15,729	−13,531
Other operating expenses	7	−33,787	−27,631
Operating profit (loss)		**45,200**	**24,162**
Finance income		3,387	1,645
Finance expenses		−2,762	−1,577
Finance income and expenses	8	**625**	**68**
Profit (loss) before income tax		**45,826**	**24,230**
Income taxes	9	−8,941	−4,109
Profit (loss) for the period		**36,885**	**20,121**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Translation differences		−516	316
Other comprehensive income for the period, net of tax		**−516**	**316**
Total comprehensive income for the period		**36,369**	**20,437**

EUR thousand	Note	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Profit (loss) for the period attributable to:			
Owners of the parent		36,885	20,121
Profit (loss) for the period		**36,885**	**20,121**
Total comprehensive income attributable to			
Owners of the parent		36,369	20,437
Total comprehensive income for the period		**36,369**	**20,437**
Earnings per share for profit attributable to the owners of the parent company:			
Basic earnings per share, EUR	18	0.93	0.50
Diluted earnings per share, EUR	18	0.93	0.50

Notes are an integral part of these financial statements.

Consolidated balance sheet

EUR thousand	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets			
Property, plant and equipment	10	72,320	66,950
Right-of-use assets	11	12,139	11,888
Intangible assets	12	1,289	1,286
Receivables	15, 22	4,696	4,040
Deferred tax assets	9	1,426	1,809
Total non-current assets		**91,870**	**85,974**
Current assets			
Inventories	14	6,723	5,092
Trade receivables and other receivables	1, 15, 22	109,208	91,252
Cash and cash equivalents	16	126,693	97,636
Total current assets		**242,625**	**193,980**
Non-current assets held for sale	17	-	353
TOTAL ASSETS		334,495	280,308
EQUITY AND LIABILITIES			
Equity			
Share capital		80	80
Reserve for invested unrestricted equity		38,591	38,516
Translation differences		−362	154
Retained earnings		44,068	29,981
Profit (loss) for the period		36,885	20,121
Total equity attributable to owners of the parent company	18	**119,262**	**88,852**
Total equity	18	**119,262**	**88,852**

EUR thousand	Note	31 Dec 2024	31 Dec 2023
LIABILITIES			
Non-current liabilities			
Borrowings	19, 22	16,733	18,750
Lease liabilities	11, 22	7,913	8,060
Other liabilities	21	571	447
Deferred tax liabilities	9	2,951	2,186
Provisions	20	2,379	3,578
Total non-current liabilities		**30,547**	**33,021**
Current liabilities			
Borrowings	19, 22	9,747	7,184
Lease liabilities	11, 22	4,277	3,777
Contract liabilities	1	56,172	57,788
Trade payables and other payables	21	108,247	84,864
Provisions	20	6,244	4,821
Total current liabilities		**184,686**	**158,434**
Total liabilities		**215,233**	**191,456**
TOTAL EQUITY AND LIABILITIES		334,495	280,308

Notes are an integral part of these financial statements.

Consolidated statement of changes in equity

EUR thousand	Note	Equity attributable to owners of the parent company					
		Share capital	Reserve for invested unrestricted equity	Translation differences	Retained earnings	Total equity attributable to owners of the parent company	Total equity
Equity on 31 Dec 2022		**80**	**35,567**	**−162**	**41,555**	**77,040**	**77,040**
Profit (loss) for the period		-	-	-	20,121	20,121	20,121
Translation differences		-	-	316	-	316	316
Total comprehensive income for the period		**-**	**-**	**316**	**20,121**	**20,437**	**20,437**
Transactions with owners:							
Share issue	18	-	2,949	-	-	2,949	2,949
Dividends paid	18, 25	-	-	-	−6,264	−6,264	−6,264
Redemption of own shares	5, 18	-	-	-	−5,310	−5,310	−5,310
Total transactions with owners		**-**	**2,949**	**-**	**−11,574**	**−8,624**	**−8,624**
Equity on 31 December 2023		**80**	**38,516**	**154**	**50,102**	**88,852**	**88,852**
Profit (loss) for the period		-	-	-	36,885	36,885	36,885
Translation differences		-	-	−516	-	−516	−516
Total comprehensive income for the period		**-**	**-**	**−516**	**36,885**	**36,369**	**36,369**
Transactions with owners:							
Share issue	18	-	75	-	-	75	75
Dividends paid	18, 25	-	-	-	−6,197	−6,197	−6,197
Redemption of own shares	5, 18	-	-	-	163	163	163
Total transactions with owners		**-**	**75**	**-**	**−6,034**	**−5,959**	**−5,959**
Equity on 31 December 2024		**80**	**38,591**	**−362**	**80,953**	**119,262**	**119,262**

Notes are an integral part of these financial statements.

Consolidated statement of cash flows

EUR thousand	Note	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Cash flows from operating activities			
Proceeds from customers	1	702,840	571,276
Payments to suppliers and employees	4, 5	−635,349	−495,308
Other income	3	1,381	4,457
Interest received	8	3,178	1,454
Paid interest and payments for other finance expenses	8	−2,572	−1,500
Income taxes paid	9	−7,942	−4,348
Net cash flow from operating activities		**61,536**	**76,032**
Cash flows from investing activities			
Payments for property, plant and equipment	10	−16,586	-13,567
Payments for intangible assets	12	-	−198
Proceeds from sale of property, plant and equipment	10	875	3,103
Loans granted to shareholders/employees	15, 25	-	−1,797
Other loans granted	15	−300	-
Repayments of granted loans	15, 25	469	313
Interest received from loans	15, 25	188	66
Net cash flow from investing activities		**−15,354**	**−12,080**

EUR thousand	Note	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Cash flows from financing activities			
Proceeds from issues of shares	18	75	2,949
Repurchase of own shares	5, 18, 25	−5,027	−1,986
Proceeds from borrowings	19, 22	9,275	4,853
Repayment of borrowings	19, 22	−8,730	−6,422
Repayments of lease liabilities	11	−4,568	−3,892
Dividends paid	18	−6,197	−6,264
Net cash flow from financing activities		**−15,172**	**−10,761**
Net increase/decrease (-) in cash and cash equivalents		**31,009**	**53,190**
Cash and cash equivalents at the beginning of the financial year	16	97,636	43,020
Effects of exchange rate changes on cash and cash equivalents		−1,952	1,426
Cash and cash equivalents at end of year	16	**126,693**	**97,636**

Notes are an integral part of these financial statements.

Notes to the consolidated financial statements

Accounting principles

Basic information about the Group

GRK Infra Plc (0533768-1) (hereinafter referred to as "the Parent Company" or "the Company") is a Finnish public limited liability company domiciled in Vantaa. Its registered address is Jaakonkatu 2, FI-01620 Vantaa, Finland. GRK Infra Plc and its subsidiaries comprise the GRK Group (hereinafter referred to as "GRK" or "the GRK Group").

GRK is a Finnish construction group operating in Finland, Sweden and Estonia. The customers of GRK Group consist of both public and private sector entities. The GRK Group's core competencies include the implementation of versatile infrastructure construction projects, project management of both small and large projects and extensive track expertise. In civil engineering, road construction, environmental construction and industrial construction, GRK provides all the necessary construction services. In rail construction, GRK provides design and maintenance services in addition to construction services. GRK's civil engineering and road construction business also includes paving. Additionally, GRK operates environmental technology business.

These consolidated financial statements include the consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the financial years ended 31 December 2024 and 31 December 2023 and the consolidated balance sheet at 31 December 2024 and 31 December 2023 ("consolidated financial statements"). The Board of Directors of GRK Infra Plc approved the publication of these consolidated financial statements at its meeting on 25 February 2025. In accordance with the Finnish Limited Liability Companies Act, shareholders can adopt or reject the financial statements in a general meeting held after their publication. The general meeting can also amend the financial statements. A copy of the financial statements is available from GRK Infra Plc, Jaakonkatu 2, FI-01620 Vantaa, Finland.

Accounting principles

The consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards as adopted by the European Union. The IAS and IFRS Accounting Standards and SIC and IFRIC interpretations in force on 31 December 2024 were followed in preparing them. The notes to the financial statements also meet the requirements of the Finnish legislation on accounting and companies supplementing the IFRS Accounting Standards.

No new standards have been adopted during the period that would have a material effect on the consolidated financial statements and no known future changes in standards or interpretations are expected to have a material effect on the consolidated financial statements expect the new IFRS 18 financial reporting standard. The IFRS 18 financial reporting standard concerns the presentation of financial statements and the information to be disclosed in financial statements. It will replace the existing IAS 1 standard. The implementation of the standard may have a significant impact on the information presented in the group's financial statements in the future. The IFRS 18 financial reporting standard will come into effect on January 1, 2027, and it has not yet been approved by the EU.

The consolidated financial statements are based on the use of historical cost, unless otherwise mentioned in the relevant accounting principles.

The consolidated financial statements are presented in the euro, which is the operating and reporting currency of the Group's parent company. The financial statements are presented in thousands of euros, unless otherwise mentioned. All of the reported figures are rounded, and therefore the combined total of individual figures can differ from the reported total.

Translation of items denominated in foreign currencies

Transactions denominated in foreign currencies are translated into the operating currency at the exchange rate on the day of the transaction. Exchange rate gains and losses arising from transaction-related payments and the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rate of the closing date are recognised through profit or loss.

Exchange rate gains and losses associated with borrowings and cash and cash equivalents are reported in finance income and expenses in the income statement. All other exchange rate gains and losses are reported at net amounts in other operating income and expenses on the income statement.

The income statements of group companies using an operating currency other than the reporting currency are translated into euros at the average rate for the period and balance sheets at the rate of the closing date. All translation-related exchange rate gains and losses are recognised in other comprehensive income.

Exchange rate differences arising from net investments in foreign units are recognised in other comprehensive income in the consolidated financial statements. When a foreign function is divested in full or part, the associated exchange rate gains and losses are recognised through profit or loss as part of the gain or loss on disposal. The goodwill arising from the acquisition of a foreign unit and adjustments made to achieve fair values are treated as assets and liabilities of the foreign unit and translated at the exchange rate of the closing date.

Key management judgement and estimates

Preparing the consolidated financial statements requires the management to make accounting estimates and assumptions that, as a rule, only rarely fully correspond with the actual results and have impacts on the amounts of assets, liabilities, income and expenses in the financial statements. In addition, the management must exercise judgement in applying the accounting principles.

Information about areas involving major judgement or complexity and items most likely to be adjusted materially if the estimates and assumptions prove wrong is provided in the associated note.

The following notes present the key management judgement and estimates of the management:

Note	Subject
1. Revenue	Amount of performance obligations
1. Revenue	Transaction price
1. Revenue	Satisfaction of performance obligation
5. Employee benefit expenses	Share-based payments
9. Income taxes	Deferred tax assets from tax losses incurred during previous financial periods
11. Leases	Determining the lease term
11. Leases	Determining the incremental borrowing rate
11. Leases	Estimating the amount of landscaping costs
12. Intangible assets	Impairment testing of goodwill
13. Business combinations	Measurement of acquired assets
20. Provisions	Onerous contracts
20. Provisions	Landscaping provision
23. Contingent liabilities and commitments	Fulfillment of the conditions for recognizing a contingent liability

1. REVENUE

Disaggregation of revenue by company

EUR thousand	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
GRK Infra Plc	3,549	2,675
GRK Suomi Oy	394,548	342,295
GRK Sverige AB	274,241	165,977
GRK Eesti AS	72,147	40,539
Eliminations	–15,934	–5,299
Total	**728,550**	**546,187**

Disaggregation of revenue by time of recognition as revenue

EUR thousand	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Recognised at a point in time	4,434	7,678
Recognised over time	724,116	538,509
Total	**728,550**	**546,187**

Breakdown of revenue by geographical area

EUR thousand	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Finland	376,272	335,192
Sweden	274,100	165,926
Estonia	78,091	42,123
Other	87	2,946
Total	**728,550**	**546,187**

Contract assets and liabilities

EUR thousand	31 Dec 2024	31 Dec 2023
Contract assets	40,689	26,645
Contract liabilities (advances received)	56,172	57,788

Contract assets are included in the balance sheet item Trade receivables and other receivables (Note 15. Trade receivables and other receivables). EUR 42,213 thousand of contract liabilities (advances received) was recognised as revenue during the reporting period (2023: EUR 24,487 thousand)

Transaction price allocated to remaining performance obligations in the contract portfolio

EUR thousand	31 Dec 2024	31 Dec 2023
Unrecognised transaction price	845,642	568,318
To be recognised within 12 months	510,083	389,760
To be recognised later	335,558	178,558

The transaction price allocated to remaining performance obligations in the contract portfolio is referred to as order backlog in the report of the Board of Directors.

Accounting policy

IFRS 15 includes a five-step model for the recognition of sales revenue. The steps are 1) identification of a contract, 2) identification of performance obligations, 3) determining the transaction price, 4) allocation of the transaction price to performance obligations and 5) recognition of revenue. The primary objective of the standard is to provide users of financial statements with information about the nature, timing and uncertainty associated with contract sales revenue and cash flows. Revenue from contracts with customers is recognised as (or when) the performance obligation is fulfilled by transferring the promised goods or services to a customer. The goods or services are transferred to a customer when the customer obtains control of the goods and services. Revenue is recognised at the amount to which the company is expected to be entitled in exchange for those goods and services.

Most significant revenue streams and performance obligations

GRK Group’s revenue primarily comprises contract revenue from civil engineering and road construction as well as paving and rail construction (more than 90% during reported financial periods) and from environmental services and other services. The most common contract types used in the GRK Group are turnkey contract, DB contract (design and build), DBd contract (design and build contract including a development phase) and project management contract. In addition, in environmental services, the GRK Group receives industrial by-products and other waste fractions suitable for use from various parties.

Civil engineering and road construction and rail construction contracts typically include a delivery of a single integrated project to the customer which is accounted for as a single performance obligation. Any additional and alteration work is an amendment to the performance obligation and is treated for as part of the existing contract. The contracts can include a separate development phase that is treated as a separate performance obligation.

Civil engineering and road construction and rail construction contracts can also be executed by utilising a consortium or an alliance model. In consortia, the GRK Group and its partner(s) form a consortium that jointly has a contract with the customer. In consortia, the GRK Group recognises the share of income and expenses specified in the consortium agreement in its consolidated financial statements. In alliance projects, the projects are executed with joint responsibility between the alliance partners. For alliance projects, the GRK Group’s share based on the alliance agreement, is recognised as revenue. Revenue from consortium and alliance contracts is recognised according to the recognition principles for contract revenue described below.

In paving contracts, the agreement typically comprises several sites and each site is a separate distinct performance obligation. Any alteration or additional work is treated either as part of the existing performance obligations or, in the case of a completely new site, as new performance obligations.

In environmental services, the GRK Group sells waste processing services and recycled raw materials to customers. Waste processing services include services for the treatment, utilisation and final disposal of waste. In selling recycled materials, each weight unit of sold recycled raw material makes up a separate performance obligation. Waste management services are a series of separable services.

In addition, the GRK Group provides maintenance, engineering and consulting services that are a series of distinct services.

Satisfaction of the performance obligation

The satisfaction of the performance obligation is based on the transfer of control over the goods or services to the customer. The performance obligations in rail, civil engineering and road construction and paving work contracts are primarily satisfied over time, as the customer is considered to have control over the asset to which the service is provided. The asset arising from the customer contract is also not considered to have an alternative use to the Group, and the Group has an enforceable right to payment for the performance completed to date, including a reasonable profit margin.

In the waste processing services of environmental services, performance obligations are satisfied over time, as the customer receives and consumes the service simultaneously as the GRK Group is performing it. In the sales of recycled raw materials, the performance obligation is satisfied when the raw material has been handed over to the customer and the customer obtains control of it.

In maintenance, design and consulting services, the customer receives and consumes the service simultaneously as the GRK Group is performing it, and the performance obligations are satisfied over time.

Determination of the transaction price

In order to determine the amount of revenue to be recognised, the management estimates the transaction price expected to be received from the customer, including variable components, such as penalties and additional bonuses based on work outputs. Additional and alteration work is included in the revenue once its implementation has been approved by both parties. Variable consideration is included in the transaction price when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associates with the variable consideration is subsequently resolved. If a contract includes more than one performance obligation, the transaction price is allocated to the performance obligations on the basis of stand-alone selling prices.

Timing of revenue and payments

Most of the GRK Group's business is of a project nature, and projects can be distributed across several years. The GRK Group's projects last from a few months to a few years. In the infrastructure sector, operations are typically seasonal, and, therefore, projects accumulate the most revenue during the period between early summer and the end of the year. Generally, there is no significant difference between the timing of the customer's payment and the GRK Group performing the service. In long-term projects, the payments made by the customer are based on contractually agreed instalment schedules or the completion of a specific work phase. The GRK Group's project contracts do not include significant financing components, and the payment terms are primarily from two weeks to a maximum of two months.

Recognition of revenue from project contracts, waste processing, maintenance, design and consulting services

The GRK Group uses an input-based method for measuring the progress towards complete satisfaction of project contracts when recognising revenue over time. The progress towards completion based on the management's judgement is determined based on the realised costs, i.e. costs of raw materials, labour hours and other costs, relative to the total expected costs. Correspondingly, unrealised costs indicate the amount of performance not satisfied.

If the amount invoiced for a customer contract is less than the revenue recognised based on the progress towards complete satisfaction or the performance obligation at the time of reporting, the difference is presented as a contract asset in Trade receivables and other receivables on the balance sheet. If the amount invoiced for a customer contract is more than the revenue recognised based on the progress towards satisfaction of the performance obligation at the time of reporting, the difference is presented as a contract liability in the Advances received item under current liabilities on the balance sheet. If the outcome of a long-term project could not be reliably estimated, revenue is recognised only to the extent equalling the amount of the realised costs. If it is probable that the total cost of completing the customer contract will exceed the total revenue to be recognised, the expected loss is immediately recognised as an expense.

For recognising revenues from the environmental services waste processing services as well as maintenance, design and consulting services, the GRK Group uses the IFRS 15 practical expedient according to which an entity may recognise revenue in the amount to which the entity has a right to invoice, if the entity has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date.

Recognising other revenue

The GRK Group recognises revenue from the environmental services' sale of recycled materials and other minor sales of materials at a point in time. Revenue is recognised when the material has been handed over to the customer and the control transfers to the customer.

Warranty and other obligations

The GRK Group does not have any warranty terms and conditions exceeding ordinary warranties. The warranty periods are usually from two to five years. The management's estimate of the warranty provision is based on historical data about the level of provision required for managing future and current reclamation costs. Additional information about the landscaping provisions associated with environmental services is provided in Note 20. Provisions

Key management judgement and estimates

The decisions based on significant management judgement in measuring and recognising revenue concern the amount of performance obligations, value of the transaction price and definition and timing of the progress towards complete satisfaction of performance obligation.

Amount of performance obligations

In identifying performance obligations, the management of the GRK Group estimates, among other things, the connection between different tasks and services and whether the customer can benefit from them separately. In identifying performance obligations, management judgement is associated with the treatment of options, for example. Options to additional goods and services are treated on a case-by-case basis as either separate or as part of the combined output to the customer. The management reassesses the transaction price once the exercise of the option has been confirmed if the option is considered to be part of the combined output of the original contract. The timing and amount of recognition as revenue can vary depending on whether the option is treated as a distinct performance obligation or as part of the combined output.

Transaction price

In order to determine revenue, the management of the GRK Group estimates the transaction price expected to be received from the customer, which may also include variable consideration in contracts, such as penalties and additional bonuses based on work outputs. The GRK Group takes any variable consideration into account in revenue when it is highly probable a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associates with the variable consideration is subsequently resolved. The original transaction price is assessed separately for each contract and variable consideration is reassessed at each reporting date.

Measuring progress towards complete satisfaction of performance obligations

Management judgement is required when measuring progress using input methods in order to make a reliable estimate of the development of the total costs required for completing the contract. In assessing their impact on the cost forecast, the management of the GRK Group assesses their situation based on the best knowledge at the time, but the actual outcome can differ from the estimate despite the careful assessment of the management. Estimates relating to the revenue recognition of contracts and monitoring of previous estimates are made regularly and reliably based on the management's empirical knowledge.

2. OPERATING SEGMENTS AND MARKET AREAS

Operating segments

The parent company's CEO is the chief operational decision-maker of the GRK Group. The chief operational decision-maker is responsible for the allocation of resources to the operating segments and assessing their performance. The Group management team assists the CEO in planning and managing operational activity. The CEO regularly reviews the Group's business functions both at the Group level and at the level of the standalone entities. The parent company, GRK Infra Plc, is responsible for the group's administration and financing. The subsidiaries, GRK Suomi Oy, GRK Eesti Oy and GRK Sverige AB, conduct the group's operational activities. The management of the GRK Group has defined these three standalone entities as the operating segments of GRK before the aggregation of the segments. The parent company does not constitute an operating segment, as its revenues and expenses arise solely from supporting the main business activities conducted by its subsidiaries.

The management of the GRK Group has decided to aggregate the three operating segments into a single larger operating segment. In practice, this operating segment includes the whole business of the Group. This single large operating segment corresponds to the GRK Group's only reportable segment, and therefore segment information is not reported except for information concerning the entity as a whole.

The GRK Group has one reportable segment: Construction services. This is based on the fact that the Group's business is comprised of construction services projects and other business activities that support construction services, such as maintenance, paving and environmental and rail business, which are not monitored separately from construction services. The aggregated operating segments have similar product and customer profiles. The EBITDA and operating profit levels of the different standalone entities are similar. In addition, the aggregated operating segments are similar with regard to medium- and long-term economic trends and characteristics.

Of the invoicing of the GRK Group, approximately 62% (approximately 67% in 2023) concerned customers in the public sector and approximately 38% (approximately 33% in 2023) private customers. Major public customers include the traffic agencies, cities, municipalities or joint municipalities and entities controlled by them in the operating countries of the GRK Group. GRK had two individual customers in 2024 (three in 2023) whose share of the total revenue exceeded 10%.

The figures of the GRK Group's one reportable segment are not fully equal to the IFRS figures for the GRK Group. The basis of decision-making in assessing performance and allocating resources is the operating profit according to FAS financial statements of the standalone entities. A reconciliation of the reportable segment's operating profit with IFRS profit before tax and a reconciliation of the reportable segment's long-term assets with IFRS long-term assets is presented below.

Reconciliation

EUR thousand	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Reportable segment's operating profit (FAS)	**47,554**	**25,346**
Other operations	−1,657	−1,307
Finance income and costs, net	625	68
GAAP differences	−697	123
Profit before tax (IFRS)	**45,826**	**24,230**

Comparative period 2023 has been restated.

Other operations include support functions and corporate administration that fall outside the scope of aggregated operating segments. The GAAP difference in the reportable segment's operating profit is to a significant extent comprised of the difference in the timing of recognition of revenue, different treatment of leases (Note 11. Leases), amortisations of capitalised development expenses (Note 12. Intangible assets) and reversal of amortisation of capitalised transaction costs.

Non-current assets of the reportable segment by country

EUR thousand	31 Dec 2024	31 Dec 2023
Finland	68,976	65,165
Sweden	915	1,153
Estonia	3,469	2,187
Total non-current assets	**73,360**	**68,504**

Reconciliation

EUR thousand	31 Dec 2024	31 Dec 2023
Non-current assets of the reportable segment (FAS)	**73,360**	**68,504**
GAAP differences	12,388	11,620
Total non-current assets	**85,748**	**80,125**

Comparative period 2023 has been restated.

Non-current assets do not include deferred tax assets or non-current financial assets. The GAAP difference in the reportable segment's non-current assets is primarily comprised of the different treatment of leases (Note 11. Leases) and capitalisation of development expenses in IFRS-compliant reporting (Note 12. Intangible assets).

3. OTHER OPERATING INCOME

EUR thousand	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Insurance indemnities and damages received	322	3,753
Fuel tax refunds	596	411
Gains on sale of property, plant and equipment	426	1,991
Grants received	28	125
Rental income	126	69
Other	351	801
Total	**1,849**	**7,151**

Other operating income includes income other than revenue from the ordinary activities (i.e. from contracts with customers), such as gains on sale of property, plant and equipment, insurance indemnities and other compensation, rental revenue and government grants. Government grants received as compensation for costs incurred are recognised as other income in the same period as the costs are recognised as expenses. Government grants connected to property, plant and equipment are recognised as a reduction of the acquisition cost of the property, plant and equipment, and they are described in Note 10. Property, plant and equipment.

The most significant items included in other operating income in the 2024 financial period were comproed of fuel tax refunds and gains on sale of property, plant and equipment. The most significant items included in other operating income in the 2023 financial period were comprised of insurance indemnities and damages received mainly in connection with the bridge accident in Umeå (see Note 23. Contingent liabilities and commitments). Proceeds from sale of property, plant and equipment in the financial year 2023 also include the gain on the sale of the slag business.

4. MATERIALS AND SERVICES

EUR thousand	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Purchases of materials and supplies	–213,938	–150,018
Change in material and supply inventory	1,768	766
Change in work in progress	–137	–853
Production for own use	99	376
External services	–317,882	–246,005
Total	**–530,090**	**–395,734**

Materials and services are comprised of purchases, change in inventories and external services during the financial period. The material and supply costs and external service costs are comprised of costs directly connected to the Group's primary construction service business.

5. EMPLOYEE BENEFIT EXPENSES

EUR thousand	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Wages and salaries	–84,800	–74,641
Cash-settled share-based payments	–527	–3
Pension costs - defined contribution plans	–13,041	–11,635
Other employee benefit expenses	–7,225	–6,003
Total	**–105,593**	**–92,281**

Average number of employees during the period	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
White-collar	535	482
Blue-collar	563	530
Total	**1,098**	**1,012**

Incentive schemes

Synthetic options

The personnel of the GRK Group has been granted synthetic options as part of the parent company GRK Infra Plc's share-based incentive schemes. The GRK Group has organised one synthetic option plan that covered a limited number of the company's employees in 2019. All subscribed options, totalling 422,180 options (84,436 options calculated using the numbers before the share split carried out during the 2022 financial period), were granted at the same time in 2019. The synthetic option plan had a fixed term expiring in 2024, and it granted the participants an opportunity to a cash-settled reward. The plan included a market condition, and additionally a service condition. No reward was paid and no expense was recognised if the conditions were not met. The options did not entitle their holder to subscribe for shares. The number of outstanding synthetic options was 268,660 at the end of the 2023 financial period. The liability for the options granted to the personnel in the GRK Group's financial statements for 2023 was EUR 11 thousand. The plan ended in 2024 and based on it, a total of EUR 538 thousand was paid to the participants.

Collective investment schemes

The GRK Group has implemented several collective investment schemes targeted at certain members of the Group's management and other key employees or future key employees and external investors. Collective investment schemes have been carried out with the company's employees and recruited key employees in 2010–2021 and 2023. The collective investment scheme of 2018 also involved external investors. In addition, during 2022, the company carried out an exchange of shares for the private shareholders of the subsidiaries, whereby the private shareholders of the subsidiaries became shareholders of the parent company and the subsidiaries became wholly-owned subsidiaries of the parent company.

The GRK Group has had consistent valuation principles as of 2010. This valuation principle was updated in 2018 when external investors joined. This updated measurement principle has thereafter been used in all collective investment schemes. All subscriptions for shares have therefore been carried out mainly under the same valuation principle and terms and conditions. Therefore, no group has received additional benefits for subscribing for shares in relation to others in the private placements. The collective investment schemes include a share-based payment, but because the subscriber pays the fair value on the grant date for the share, the investments do not involve an additional benefit and therefore no expense pursuant to IFRS 2 is recognised.

A loan has been granted to few of the company's employees and officers in conjunction with collective investment schemes to finance their subscription price for the company's shares in part. GRK treats these granted loans as loan receivables based on the terms and conditions of the loan being market-based and the employee or officer borrower having an unconditional obligation to repay the loan to GRK Infra Plc.

In the collective investment schemes, good or bad leaver conditions have also been agreed upon with the key employees or officers, and they will expire in connection with the company's admission to listing or sale of the company. Regarding contractual redemption due to retirement, a deadline has been set for the redemption of shares, within which redemptions are made annually in equal batches until admission to listing or disposal. The shares to be redeemed are treated as cash-settled share-based arrangement to the extent that the GRK Group has a contractual obligation to redeem the shares. No share redemption liability was recorded at 31.12.2024. A share redemption liability of EUR 5,190 thousand has been recognised in the financial statements for 2023. In 2024, the parent company redeemed shares at an amount of EUR 7 thousand from persons who terminated their employment with the GRK Group (EUR 121 thousand in 2023) and at EUR 5,020 thousand from retired persons (EUR 1,866 thousand).

Accounting policy

Short-term employee benefits

Short-term employee benefits, such as wages, bonuses, fringe benefits and annual holiday are recognised as expenses on an accrual basis for the financial period during which they are incurred. Performance bonuses are recognised as expenses when the GRK Group becomes liable to pay them and their amount can be reliably estimated.

Pension obligations

The GRK Group has defined contribution pension plans. In defined contribution pension plans, contributions are paid to the insurance company, after which the GRK Group has no other payment obligations. The contributions to defined contribution plans are recognised as an expense on the income statement for the financial period concerned by the charge.

Share-based payments

The GRK Group's synthetic options are cash-settled share-based incentive schemes. The synthetic options are put into effect at fair value pursuant to valuation calculations on the grant date, and therefore no expense or liability was recognised for them at the grant date. The scheme is remeasured at fair value at the end of each reporting period and the change in the fair value of the liability is recognised on the income statement. A corresponding adjustment is made to the liabilities on the balance sheet. The impact of the synthetic options on profit is presented in employee benefit expenses on the income statement.

The GRK Group considers shares subject to a redemption obligation as a cash-settled share-based scheme. The shares subject to a redemption obligation are recognised on the balance sheet as a liability in accordance with the contractual obligation. If dividend is paid to shares subject to a redemption obligation before their redemption, an obligation for a cash payment is incurred by the GRK Group, which is recognised as finance expenses on the income statement and liability on the balance sheet.

Key management judgement and estimates

Share-based payments

The GRK Group uses judgement on whether an arrangement or transaction includes a share-based payment. According to the management's view, shares subject to a redemption obligation for which the GRK Group has a contractual obligation to redeem the shares are treated as cash-settled share-based arrangements. The contractual obligation to redeem the shares expires in connection with the admission to listing or sale of the company. Executed share redemptions do not form an established practice in which shares would be redeemed from private shareholders, excluding persons retiring in accordance with the shareholder agreement.

Determining the fair value of the arrangement requires the management to exercise judgement. In collective investment schemes in which employees have had an opportunity to subscribe for shares in the company, the employee is not considered to have received a benefit because the subscription price is considered to equal the fair value. The value of the liability of the cash-settled synthetic options at the grant date is considered to be zero. Therefore, no expense pursuant to IFRS 2 relating to the share-based payment was recognised at the grant date. The GRK Group has prepared a corresponding analysis for the subsequent measurement of the synthetic options for the balance sheet date, and the difference between the values on the grant date and said balance sheet date is recognised on accrual basis as an expense on the income statement and liability on the balance sheet.

6. DEPRECIATION, AMORTISATION AND IMPAIRMENT

EUR thousand	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Depreciation and amortisation according to plan		
Intangible assets	−264	−185
Property, plant and equipment	−9,211	−9,022
Right-of-use assets	−4,672	−3,981
Total	**−14,147**	**−13,189**
Impairment losses		
Intangible assets	−62	−342
Property, plant and equipment	−1,521	-
Total	−1,583	−342
Total depreciation, amortisation and impairment losses	**−15,729**	**−13,531**

The impairment of EUR 62 thousand of intangible assets recorded in the financial year 2024 relates to write-down of capitalised develpment costs related to decommisioned IT software.

The impairment of EUR 1,521 thousand of property, plant and equipment was due to the write-down of capitalized design and equipment costs related to construction in progress of the second biochar plant partially implemented in Utajärvi. The plant supplier became insolvent and is unable to deliver the planned second plant.

The impairment of EUR 342 thousand of intangible assets recorded in the financial year 2023 is described in more detail in Note 17. Non-current assets held for sale.

7. OTHER OPERATING EXPENSES

EUR thousand	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Vehicle expenses	−7,720	−6,512
Travel expenses	−8,955	−7,662
IT software and equipment expenses	−3,500	−2,879
Consulting, advisory and administrative services	−1,499	−1,047
Premises expenses	−2,679	−1,875
Office and admin costs	−4,794	−3,376
Voluntary personnel costs	−3,067	−2,830
Other expenses	−1,573	−1,449
Total	**−33,787**	**−27,631**

The other operating expenses are characterised by the fact that they are related or linked to the overall operations of the Group companies rather than the construction services and their volumes. The most significant individual items in other operating expenses during the financial period under review and comparison period were vehicle expenses and travel expenses.

Auditors' fees

EUR thousand	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
PricewaterhouseCoopers		
Statutory audit	−177	−123
Tax advisory services	−2	−19
Other services	−168	−38
Total	**−347**	**−180**

Auditors' fees include the fees for statutory audit and fees for other services paid to the audit firm of each Group company.

8. FINANCE INCOME AND EXPENSES

EUR thousand	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Finance income		
Interest income from loan receivables	188	163
Other interest income	3,200	1,482
Total	**3,387**	**1,645**
Finance expenses		
Interest expenses from borrowings	–1,121	–863
Interest expenses from lease liabilities	–426	–257
Exchange rate losses	–111	–55
Other finance expenses	–1,104	–402
Total	**–2,762**	**–1,577**
Finance income and expenses total	**625**	**68**

The Group's finance expenses consist mainly of interest expenses on loans and lease liabilities, guarantee expenses on projects, exchange rate losses and other finance expenses.

9. INCOME TAXES

The income tax expenses on the income statement are comprised of current income tax expenses, adjustments of taxes for previous financial periods and changes in deferred taxes.

EUR thousand	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Current tax on profit for the period	–7,695	–4,164
Adjustments for current tax of prior periods	–97	34
Change in deferred tax assets	–402	575
Change in deferred tax liabilities	–747	–554
Income tax expense	**–8,941**	**–4,109**

The reconciliation between the tax expense on the income statement and taxes calculated by using the Finnish tax rate (20% for all financial periods) is as follows:

EUR thousand	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Profit before income tax	45,826	24,230
Tax calculated at Finnish tax rate 20%	–9,165	–4,846
Effect of other tax rates for foreign subsidiaries	298	139
Effect of non-deductible expenses	–169	–40
Effect of non-taxable income	2	89
Adjustments for deferred taxes of prior periods	97	488
Adjustments for current tax of prior periods	–97	34
Other items	94	27
Income tax expense	**–8,941**	**–4,109**

Deferred tax assets and liabilities

EUR thousand	1 January	Recognised through profit or loss	Exchange rate differences	31 December
2024				
Deferred tax assets				
Provisions	1,347	−283	−1	1,064
Postponed depreciation	380	−283	-	98
Other items	279	164	0	443
Total	**2,006**	**−402**	**−1**	**1,604**
Off-setting	−197			−178
Total	**1,809**	**−402**	**−1**	**1,426**
Deferred tax liabilities				
Accumulated depreciation differences	2,143	808	-	2,951
Other items	241	−62	−1	178
Total	**2,384**	**747**	**−1**	**3,129**
Off-setting	−197			−178
Total	**2,186**	**747**	**−1**	**2,951**

EUR thousand	1 January	Recognised through profit or loss	Exchange rate differences	31 December
2023				
Deferred tax assets				
Provisions	491	856	-	1,347
Postponed depreciation	-	380	-	380
Confirmed losses	739	−739	-	-
Other items	201	78	-	279
Total	**1,431**	**575**	**-**	**2,006**
Off-setting	−288			−197
Total	**1,143**	**575**	**-**	**1,809**
Deferred tax liabilities				
Accumulated depreciation differences	1,476	666	-	2,143
Financial liabilities	4	−4	-	-
Other items	348	−108	1	241
Total	**1,828**	**554**	**1**	**2,384**
Off-setting	−288	-	-	−197
Total	**1,540**	**554**	**1**	**2,186**

On the closing date on both 31 December 2024 and 31 December 2023, the Group did not have confirmed losses.

On 31 December 2022, the Group recognised deferred tax assets totalling EUR 739 thousand relating to confirmed tax losses incurred in previous financial periods. The recognition of the deferred tax asset is based on the Group's estimate that the companies have convincing evidence on profitable performance, based on which it is probable that there will be taxable profit against which the losses can be utilised. The item was used during 2023.

Accounting policy

Income taxes

The tax paid based on each country's income tax rate on the taxable profit for the period adjusted for changes in deferred tax assets and liabilities resulting from temporary differences and unused losses in taxation are reported as the current tax expense or income.

Taxes based on the taxable profit for the period and deferred taxes are recognised through profit or loss, except when they are connected to items of other comprehensive income or items recognised directly in equity. In this case, the tax is correspondingly recognised in other comprehensive income or directly in equity.

Deferred taxes

Deferred taxes are recognised for temporary differences between the values in taxation and carrying amounts of assets and liabilities. The enacted or substantively enacted tax rates as of each reporting date that are expected to apply in the period when the asset is realised or the liability is settled are used in the measurement of deferred tax assets and deferred tax liabilities.

Deferred tax assets are only recognised when it is probable that taxable income against which the temporary difference and losses can be utilised will be available.

Deferred tax assets or deferred tax liabilities are not recognised for the initial recognition of goodwill or when it is due to the initial recognition of an asset or liability in a transaction which is not a business combination and the transaction will not have an impact on the accounting profit or taxable income upon its realisation.

Key management judgement and estimates

The management of the GRK Group uses judgement and estimates in deciding on whether deferred tax assets will be recognised for unused tax losses. The estimates are affected by expectations of the profit and taxable profit from the Group companies' operations in future years and the options of utilising the tax losses. Deferred tax assets are recognised to the extent that it is probable that there will be future taxable profit against which the unused tax losses and unused tax rebates can be used.

10. PROPERTY, PLANT AND EQUIPMENT

EUR thousand	Land areas and connection fees	Buildings	Machinery and equipment	Advance payments and construction in progress	Total
2024					
Cost at 1 January	**1,740**	**6,462**	**82,482**	**12,308**	**102,993**
Additions	1,653	652	11,404	3,107	16,816
Disposals	-	–1,066	–8,793	–1,550	–11,409
Reclassifications	28	–4	8,041	–8,065	-
Translation differences	-	-	–19	-	–19
Cost at 31 December	**3,422**	**6,044**	**93,115**	**5,800**	**108,381**
Accumulated depreciation and impairment at 1 January	**-**	**–1,758**	**–34,285**	**-**	**–36,043**
Depreciation	-	–623	–8,587		–9,211
Accumulated depreciation of disposals	-	1,107	8,074		9,181
Translation differences	-	-	11		11
Accumulated depreciation and impairment at 31 December		**–1,274**	**–34,787**	**-**	**–36,061**
Net book value at 1 January	**1,740**	**4,705**	**48,197**	**12,308**	**66,950**
Net book value at 31 December	**3,422**	**4,770**	**58,328**	**5,800**	**72,320**

EUR 1,521 thousand of the disposals of advance payments and construction in progress relates to the impairment of the incomplete biochar plant, as descibed in Note 6 Depreciation, amortisation and impairment.

EUR thousand	Land areas and connection fees	Buildings	Machinery and equipment	Advance payments and construction in progress	Total
2023					
Cost at 1 January	**722**	**4,825**	**71,898**	**13,939**	**91,383**
Additions	1,019	1,637	4,849	6,090	13,595
Disposals	-	-	−1,222	−66	−1,288
Reclassifications	-	-	6,950	−7,634	−685
Translation differences	-	-	8	−21	−13
Cost at 31 December	**1,740**	**6,462**	**82,482**	**12,308**	**102,993**
Accumulated depreciation and impairment at 1 January	**-**	**−1,245**	**−25,943**	**-**	**−27,188**
Depreciation	-	−512	−8,510	-	−9,022
Accumulated depreciation of disposals	-	-	170	-	170
Translation differences	-	-	−3	-	−3
Accumulated depreciation and impairment at 31 December		**−1,758**	**−34,285**	**-**	**−36,043**
Net book value at 1 January	**722**	**3,580**	**45,955**	**13,939**	**64,195**
Net book value at 31 December	**1,740**	**4,705**	**48,197**	**12,308**	**66,950**

Accounting policy

Land areas and connection fees are measured at cost. Other property, plant and equipment is measured at cost less accumulated depreciation and any impairment. Cost includes the purchase price and all costs directly arising from bringing the asset to the location and condition in which it can operate as intended by the management.

Property, plant and equipment is depreciated using the straight-line method over the estimated economic useful life. The estimated economic useful lives are as follows:

Estimated economic useful life	
Buildings	5–25 years
Machinery and equipmen	
Tools and measuring equipment	3–5 years
Passenger cars	4–5 years
Lorries and vans	3–7 years
Office machines and equipment	5 years
Asphalt stations and heavy asphalt equipment	10–20 years
Rail work machines and equipment	10–20 years
Other production machinery and equipment	5–12 years

The residual values and economic useful lives of assets are reviewed at the end of each reporting period and adjusted if necessary. If the carrying amount of an asset exceeds its estimated recoverable amount, the carrying amount is written down to the recoverable amount.

Government grants relating to property, plant and equipment are recognised as reductions of the carrying amounts of property, plant and equipment. The grants reduce the amount recognised as an expense over the useful life of the asset in the form of lower depreciation. Other government grants are described in Note 3. Other operating income. The acquisition of property, plant and equipment does not involve material borrowing costs that should be capitalised in the cost. Expenses arising from significant improvements are capitalised and depreciated as expenses over the economic useful life of the related asset. Ordinary repair and maintenance costs are recognised as expenses when they are incurred.

Gains and losses on the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount, and they are recognised in other operating income or other operating expenses.

11. LEASES

IFRS 16 Leases requires lessees to recognise all leases on the balance sheet as a main principle. At the commencement of the lease, a right-of-use asset and a lease liability are recognised on the balance sheet, and their value is determined based on the present value of future lease payments. Instead of lease expenses, depreciation of right-of-use assets and interest expenses on the lease liability are recognised over the lease term.

The GRK Group leases land areas, business premises, apartments, production machinery and equipment, passenger cars, vans and lorries and tools and other construction site movables. The leases on business premises and land areas can be either fixed-term or valid until further notice. Leases on apartments are typically valid until further notice. Leases on production machinery and equipment, cars and other vehicles are fixed-term. Leases on construction site movables are typically based on annual agreements specifying the price list and primary terms and conditions. The leases can include extension and termination options. Some of the leases include index adjustment clauses, which are typically tied to the cost-of-living index. They are not taken into consideration in the lease liability until they are realised. Production machinery, equipment and vehicle leases can include redemption options. The leases of the GRK Group do not include material variable lease payments or residual value guarantees. The GRK Group does not have significant activities as a lessor.

EUR thousand	Buildings	Machinery and equipment	Vehicles	Land areas	Total
2024					
Cost at 1 January	16,534	574	9,432	1,440	27,980
Additions	1,999	27	3,142	149	5,317
Increase/decrease due to remeasurement	−95	−28	−229	−8	−361
Translation differences	−28	-	−38	−1	−67
Cost at 31 December	18,409	574	12,307	1,579	32,869
Accumulated depreciation and impairment at 1 January	−8,831	−484	−5,973	−803	−16,092
Depreciation	−2,604	−14	−1,919	−134	−4,672
Translation differences	13	-	20	0	33
Accumulated depreciation and impairment at 31 December	−11,423	−498	−7,873	−937	−20,730
Net book value at 1 January	7,702	90	3,459	637	11,888
Net book value at 31 December	6,987	76	4,434	642	12,139

EUR thousand	Buildings	Machinery and equipment	Vehicles	Land areas	Total
2023					
Cost at 1 January	13,741	628	7,669	893	22,932
Additions	3,841	14	1,876	212	5,943
Increase/decrease due to remeasurement	−1,059	−68	−133	334	−926
Translation differences	11	-	19	1	30
Cost at 31 December	16,534	574	9,432	1,440	27,980
Accumulated depreciation and impairment at 1 January	−6,597	−425	−4,356	−720	−12,098
Depreciation	−2,230	−59	−1,609	−83	−3,981
Translation differences	−5	-	−8	0	−12
Accumulated depreciation and impairment at 31 December	−8,831	−484	−5,973	−803	−16,092
Net book value at 1 January	7,145	203	3,313	173	10,834
Net book value at 31 December	7,702	90	3,459	637	11,888

EUR thousand	31 Dec 2024	31 Dec 2023
Lease liabilities		
Current	4,277	3,777
Non-current	7,913	8,060
Total	12,190	11,836

The cash flows due to leases and the maturities of the lease liabilities are presented in Note 22. Financial risk management and financial assets and liabilities.

The income statement includes the following amounts associated with leases:

EUR thousand	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Depreciation of right-of-use assets [1)]		
Buildings	–2,604	–2,230
Machinery and equipment	–14	–59
Vehicles	–1,919	–1,609
Land areas	–134	–83
Total depreciation of right-of-use assets	**–4,672**	**–3,981**
Interest expenses [2)]	–426	–257
Expenses relating to short-term leases and leases of low value assets [3)]	–12,626	–9,232
Amounts relating to leases included in the income statement total	**–17,724**	**–13,471**

[1)] Included in Depreciation, amortisation and impairment on the income statement.
[2)] Included in Finance expenses on the income statement.
[3)] Included in Other operating expenses on the income statement insofar as they are related to the operations of the companies as a whole, such as temporary rental apartments, cars or business premises, and in Materials and services insofar as they are directly related to the Group's actual construction service activities, such as production machinery and equipment and construction site equipment.

The short-term leases and leases of low value assets include mainly construction site movables.

Accounting policy

The GRK Group assesses at contract inception whether the contract is or contains a lease. A contract is or contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. The GRK Group recognises a right-of-use asset and a corresponding lease liability at contract commencement for leases in which it is a lessee. The contract commencement date is the date on which the asset is available for use by the lessee.

The lease liability is measured at the present value of the expected future lease payments at the contract commencement. The payments included in the measurement of the lease liability include fixed payments, payments based on an index or a rate and the price of a purchase option if GRK Group is reasonably certain to exercise the option. Penalties for terminating the lease are included in the measurement of the lease liability only if the lease term reflects that the GRK Group exercising that option.

In accordance with IFRS 16, lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, the lessee's incremental borrowing rate is used, meaning the rate that the GRK Group would have to pay to borrow the funds required for acquiring an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement of the lease, the lease liability is measured at amortised cost reduced by the lease payments made using the effective interest method. The lease liability is remeasured when the lease payments change due to, for example, index change, exercising of option included in the lease are reassessed or to reflect other lease modifications.

Right-of-use assets are measured at cost including the initial amount of the lease liability, any lease payments made before the commencement of the lease, initial direct costs and restoration costs. Right-of-use assets are usually depreciated using the straight-line method over the shorter of the asset's economic useful life and lease term. If the GRK Group is reasonably certain of exercising the purchase option and the amount of exercising the purchase option has been reflected in the lease liability measurement, the depreciation period of the right-of-use asset is its economic useful life.

The GRK Group applies the IFRS 16 exemptions not to recognise the short-term leases and leases of low value assets on the balance sheet. A short-term lease is a lease with a lease term of 12 months or less. Short-term leases and leases of low value assets IT hardware and construction site movables. Payments for these leases are recognised as expenses on a straight-line basis.

Key management judgement and estimates

Key estimates in determining the lease term

The determination of the lease term has a significant impact on the measurement of lease liabilities and right-of-use assets. The lease term is the non-cancellable period of the lease, including any periods covered by the extension or termination option if the GRK Group is reasonably certain of exercising the extension option or not exercising the termination option. The GRK Group takes into consideration all facts and circumstances that result in a financial incentive to exercise the extension option or not to exercise the termination option. The management reassesses the lease term when a significant event or change in circumstances occurs.

The GRK Group has leases valid until further notice and leases with an extension option, especially in relation to business premises and land areas. In determining the lease term the GRK Group considers major leasehold improvements made, costs relating to the termination of the lease and signing a new lease and the importance of the underlying asset to the operations of the GRK Group, considering the special nature of the asset, its location and the availability of suitable alternatives. The GRK Group treats project-specific right-of-use assets primarily as short-term leases. An exception to this are leases that substantially involve a fixed-term contract of over 12 months or if the estimated duration of the project is several years and the management considers the right-of-use asset in question to be important for the project.

Determining the incremental borrowing rate

In the GRK Group's leases, the implicit interest rate in the lease cannot be readily determined, and the GRK Group uses the incremental borrowing rate to discount the lease payments. The incremental borrowing rate has an impact on the measurement of lease liabilities. The GRK Group defines the incremental borrowing rate by considering the nature of the leased asset, the Group's risk factors and geographical operating environment of the leased asset, currency and contract term.

Estimating the landscaping provision

The GRK Group has estimated the amount of landscaping costs for leases that include a clause on landscaping. Landscaping costs are associated with obligations relating to the termination of environmental services agreements, such as closing down, covering, subsequently monitoring and maintaining the final disposal area or extraction area. Landscaping costs included in the value of the right-of-use assets are based on estimates, which cannot be known accurately in advance, and the amount is estimated based on the management's empirical knowledge of the costs of landscaping. The landscaping provision is included in the cost of the right-of-use asset and, in accordance with IAS 37, in the provisions described in Note 20. Provisions.

12. INTANGIBLE ASSETS

EUR thousand	Goodwill	Intangible rights	Capitalised development costs	Other intangible assets	Total
2024					
Acquisition cost at 1 January	**1,048**	**379**	**653**	**192**	**2,271**
Reclassifications	-	-	-	−14	−14
Disposals	-	7	-	-	7
Reclassifications from non-current assets held for sale	-	687	-	-	687
Translation differences	-	−2	-	-	−2
Acquisition cost at 31 December	**1,048**	**1,071**	**653**	**177**	**2,948**
Accumulated amortisation and impairment at 1 January	**−307**	**−213**	**−347**	**−118**	**−984**
Amortisation	-	−109	−130	−25	−264
Impairment loss	-	-	−62	-	−62
Disposals	-	−7	-	-	−7
Reclassifications from non-current assets held for sale	-	−343	-	-	−343
Translation differences	-	1	-	-	1
Accumulated amortisation and impairment at 31 December	**−307**	**−671**	**−539**	**−143**	**−1,659**
Net book value at 1 January	**741**	**167**	**306**	**73**	**1,286**
Net book value at 31 December	**741**	**400**	**113**	**35**	**1,289**

EUR thousand	Goodwill	Intangible rights	Capitalised development costs	Other intangible assets	Total
2023					
Acquisition cost at 1 January	**1,048**	**254**	**594**	**178**	**2,073**
Additions	-	126	58	14	198
Reclassifications	-	685	-	-	685
Reclassifications to non-current assets held for sale	-	−685	-	-	−685
Acquisition cost at 31 December	**1,048**	**379**	**653**	**192**	**2,271**
Accumulated amortisation and impairment at 1 January	**−307**	**−180**	**−223**	**−90**	**−799**
Amortisation		−33	−124	−28	−185
Impairment loss	-	−342	-	-	−342
Reclassifications to non-current assets held for sale	-	342	-	-	342
Accumulated amortisation and impairment at 31 December	**−307**	**−213**	**−347**	**−118**	**−984**
Net book value at 1 January	**741**	**74**	**371**	**88**	**1,273**
Net book value at 31 December	**741**	**167**	**306**	**73**	**1,286**

The GRK Group’s intangible rights and capitalised development expenses are mainly comprised of IT systems.

Accounting policy

Goodwill

The goodwill arising from the acquisition of business is included in intangible assets. The goodwill arising from business combinations is recognised at the amount by which the consideration transferred exceeds the fair value of the net assets acquired. Goodwill is not amortised, but it is tested for impairment annually or more frequently if events or changes in circumstances indicate any impairment. Any impairment loss on goodwill is immediately recognised through profit or loss. Previously recognised impairment losses on goodwill are not subsequently reversed.

Other intangible assets

GRK recognises intangible assets with finite economic useful lives on the balance sheet at acquisition cost less accumulated amortisation and any impairment. The economic useful life and amortisation method are regularly reviewed and at least at the end of each financial period or more frequently if events or changes in circumstances indicate any impairment of the intangible assets.

Research and development expenses that do not meet the criteria for capitalisation on the balance sheet are expensed as they are incurred. GRK Group capitalizes those development expenses, such as development-related external services, direct employee expenses and other material expenses that can be allocated, that GRK Group consider meeting the criteria for capitalisation. Capitalised development expenses are recognised in intangible assets and their amortisation commences when the development work has been completed and it begins to produce economic benefits.

Straight-line amortisation according to plan is calculated based on the probable estimated economic useful life. Estimated economic useful lives for the following intangible asset items:

Estimated economic useful life	
Intangible rights	5–10 years
Capitalised development costs	5 years
Other intangible assets	5–10 years

Intangible assets with finite economic useful lives are tested for impairment if there are indications of impairment.

Goodwill

The table below presents the allocation of goodwill to the cash-generating units of the GRK Group:

EUR thousand	31 Dec 2024	31 Dec 2023
GRK Suomi Oy	741	741
Total	**741**	**741**

Goodwill is allocated to cash-generating units for impairment testing. It is allocated to those cash-generating units that are expected to benefit from the business combination that resulted in goodwill. The units or groups of units are defined at the lowest levels at which goodwill is monitored for management purposes, which corresponds with the company structure of the GRK Group.

Testing for impairment

The recoverable amount of a cash-generating unit's business is based on calculations of value in use. The discount rate used in the calculations is defined using the weighted average cost of capital (WACC), which describes the overall cost of equity and debt, considering the time value of money and the specific risks associated with the business of the GRK Group. The discount rate is pre-tax. The forecast period is five years. Cash flows that extend beyond the forecast period have been calculated using the terminal value method.

	31 Dec 2024	31 Dec 2023
Discount rate		
GRK Suomi Oy	10.09%	10.55%

The unit's recoverable amounts resulting from the value in use calculations are compared with the carrying amount of the goodwill and other assets allocated to the unit. An impairment loss is recognised if the carrying amount of the unit's combined assets exceeds its recoverable cash flows..

Key management judgement and estimates

Estimates and assumptions used in testing goodwill for impairment

The cash flow-based value in use is determined by calculating the discounted present value of forecasted cash flows, which is compared with the combined assets of the cash-generating unit. These calculations require using estimates and assumptions to a significant extent. The basis of the forecasted cash flows are the long-term objectives for a specific period approved by the company's management and other justifiable estimates of the outlook of the industry and the cash-generating unit.

The key uncertainties in the value in use calculations are the discount rate and residual growth rate assumption. The risk-free interest rate, risk factor (beta) and equity market risk premium parameters used in determining the discount rate are based on market information. A residual growth rate of 2% has been used in calculating the terminal value (31 December 2023: 2%), which is equal to the European Central Bank's medium-term inflation rate target.

Sensitivity analyses of impairment testing

Based on the impairment testing carried out, there is no need for recognising impairment losses on the goodwill of GRK Suomi Oy in the 2024 and 2023 financial periods. The cash-generating unit's recoverable amount exceeds the book value of its assets. Based on the management's estimate and sensitivity analyses prepared by the management, no reasonably possible change in the key assumptions would result in a situation in which the book value of a cash-generating unit would exceed its recoverable amount.

13. BUSINESS COMBINATIONS

Acquisitions of business 2024

No acquisitions were made during the 2024 financial period.

Acquisitions of business 2023

No acquisitions were made during the 2023 financial period.

Key management judgement and estimates

With regard to property, plant and equipment in the acquisitions made in financial periods preceding the periods reported herein, comparisons have been made with the market prices of corresponding assets and the decrease in value due to the age of the acquired assets, wear and tear and other corresponding factors have been assessed. The acquired property, plant and equipment has been comprised of production machinery and equipment and vehicles.

14. INVENTORIES

EUR thousand	31 Dec 2024	31 Dec 2023
Materials and supplies	6,723	4,956
Work in progress	-	137
Total	6,723	5,092

GRK recognised a cost of inventories of EUR 1,631 thousand as an adjustment to a cost item for the financial period (2023: EUR –87 thousand). The expense includes changes in both material and supplies inventories and work in progress, and it is reported in Materials and services on the income statement.

Accounting policy

Inventories are measured at the lower of acquisition cost or net realisable value. Acquisition cost includes all costs of purchase, manufacture and other costs caused by bringing the inventories to their location and condition. Net realisable value is the estimated selling price in the course of ordinary business less the costs of completing the product and direct expenses of selling.

15. TRADE RECEIVABLES AND OTHER RECEIVABLES

EUR thousand	31 Dec 2024	31 Dec 2023
Non-current		
Contract guarantees held	1,058	15
Loan receivables	3,272	3,738
Other non-current receivables	365	287
Total	**4,696**	**4,040**
Current		
Trade receivables	61,992	53,542
Loan receivables	61	64
Other receivables	1,580	1,425
Contract assets	40,689	26,645
Fuel tax refund receivables	296	253
Current tax receivables	547	1,804
Other prepaid expenses and accrued income	4,043	7,520
Total	**109,208**	**91,252**

Ageing analysis of trade receivables

	31 Dec 2024	31 Dec 2023
Share of trade receivables not due or overdue for less than 30 days of all trade receivables (%)	99.5%	99.4%

The management estimates that the book values of trade receivables, loan receivables and other receivables correspond to their fair value because they are short-term in nature or their interest rate essentially corresponds with the market interest rate.

The Group's customers are mainly from the public sector, such as municipalities, the state and municipality-owned entities. Therefore, the amount of credit losses has historically been very low. According to the view of the GRK Group's management and calculations supporting it, there are no material expected credit losses occurring in the business that would need to be estimated proactively in the 2024 financial statements. The credit risk of financial assets is described in Note 22. Financial risk management and financial assets and liabilities.

Loan receivables are comprised of loans to private shareholders and a loan granted to the buyer in connection with the sale of property, plant and equipment. Loans have been granted to some of the company's employees and officers in conjunction with collective investment schemes to finance a part of their subscription price for the company's shares. The terms and conditions of the loans are market-based, and the shares subscribed by these persons in the collective investment scheme are collateral. The collective investment schemes and associated loan receivables are described in more detail in Note 5. Employee benefit expenses.

Accounting policy

The Group's financial assets are comprised of cash and cash equivalents (see Note 16. Cash and cash equivalents) and trade receivables and other receivables, which are measured at amortised cost by using the effective interest method. Financial assets at amortised cost are assets held to collect contract cash flows and the cash flows consist exclusively of the payment of principal and interest.

Loan receivables and other receivables are initially recognised at fair value. Trade receivables are initially recognised at the transaction price. Interest income is included in finance income.

Impairment of financial assets

Expected credit losses associated with financial assets are estimated proactively.

A simplified model is applied to measuring trade receivables and contract assets, according to which credit losses are recognised for the entire period of validity of the trade receivables or contract assets based on expected credit losses. The GRK Group has defined default percentages for trade receivables of different ages based on the age breakdown, taking into consideration the special characteristics and risks of the receivables. The amount of the expected credit loss is based on the management's best estimate of expected defaults. The credit loss model takes into account customers' previous payment behaviour and available future forecasts. According to an assessment made by the GRK Group, the expected credit losses of trade receivables and assets based on contracts with customers are insignificant.

The impairment of loan receivables is calculated based on the 12-month expected credit loss. If credit risk has increased significantly from the time of granting the loan, the credit loss is calculated based on the credit loss expected throughout the period of validity of the loan receivable. The debtor's financial difficulties, default of payments or payment being more than 30 days overdue is an indication that the credit risk of the financial asset is significantly increased. The impact of collateral is taken into consideration in the amount of the credit loss recognised as expected. The management of the GRK Group has estimated that the credit risk of loan receivables has not increased significantly and that the expected credit losses are insignificant.

Receivables are derecognised as final credit losses when no payment can be reasonably expected for them. Indications of not being able to reasonably expect payment include the debtor's inability to make an instalment schedule with the Group and the debtor's bankruptcy.

16. CASH AND CASH EQUIVALENTS

Accounting policy

Cash and cash equivalents consist of cash and on-demand bank deposits in solvent partner banks. Bank overdrafts are included in current liabilities.

17. NON-CURRENT ASSETS HELD FOR SALE

EUR thousand	31 Dec 2024	31 Dec 2023
Intangible assets	-	353
Total	**-**	**353**

The Group has taken part in the development of a scaffolding system associated with bridge construction, and the resulting development costs have been capitalised in prepayments and assets under development during prior financial periods. A decision was made in the 2023 financial period to sell the rights to an external party, which is why the asset has been classified as a non-current asset held for sale. The sale was expected to be completed within the next 12 months from the balance sheet date. In connection with the classification, the asset was valued at fair value, which corresponds to the expected selling price. An impairment loss of EUR 342 thousand was recognised on the asset in the 2023 financial period. The impairment loss is reported in Depreciation, amortisation and impairment on the income statement.

During the 2024 financial period the sales period extended beyond the original estimates, and the criteria for an asset held for sale were no longer met as of December 31, 2024. Consequently, the asset was reclassified from assets held for sale to intangible assets. During the reclassification, the carrying amount was adjusted by depreciation that would have been recorded if the asset had not been classified as held for sale.

Accounting policy

Non-current assets are classified as held for sale if the amount corresponding to their carrying amounts is considered to be primarily recovered sale instead of being recovered through continuous use in business operations. The classification as held for sale requires that the sale is highly probable, the asset in its current condition is immediately available for sale under normal conditions, management is committed to the sale of the asset and the sale is expected to take place within one year of the classification. Before an asset or the assets and liabilities within a disposal group are classified as held for sale, their carrying amounts are determined in accordance with the IFRS Accounting Standards applicable to them. Starting from the date of classification, non-current assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. Property, plant and equipment and intangible assets and intangible assets held for sale are no longer depreciated or amortised. Assets held for sale are presented separately from other items on the balance sheet.

18. EQUITY AND SHARES

EUR thousand	31 Dec 2024	31 Dec 2023
Share capital	80	80
Reserve for invested unrestricted equity	38,591	38,516
Translation differences	−362	154
Retained earnings	44,068	29,981
Profit (loss) for the period	36,885	20,121
Total equity attributable to owners of the parent company	**119,262**	**88,852**
Total equity	**119,262**	**88,852**

Shares and share capital

EUR thousand	Number of shares	Share capital	Reserve for invested unrestricted equity
31 December 2022	**41,191,727**	**80**	**35,567**
Annulment of own shares	−1,193,376		
Directed share issue 2023	742,897		2,949
31 December 2023	**40,741,248**	**80**	**38,516**
Annulment of own shares	−887,080		
Directed share issue 2024	18,870		75
31 December 2024	**39,873,038**	**80**	**38,591**

GRK has one class of shares. All shares confer one vote at a general meeting and equal rights to dividend, the company's assets and voting at general meetings. All shares have been fully paid. The shares have no nominal value.

Under the authorisation granted by the Annual General Meeting, on 15 May 2024 the company's Board of Directors decided on a directed share issue to one key person of the company. A total of 18,870 new shares were subscribed for in the share issue. The new shares were entered in the Trade Register on 26 July 2024.

The own shares held by the company at the beginning of the financial period 887,080 pcs were annulled during the financial period. During the financial year, the company acquired a total of 2,312,092 of its own shares from private shareholders. The company holds a total of 2,312,092 of its own shares on 31 December 2024, and their combined share of all of the shares and votes is 5,8% (31 December 2023: 887,080 shares/2.2%).

Reserve for invested unrestricted equity

The reserve for invested unrestricted equity includes other equity investments and share subscription price to the extent that it is not recognised in share capital according to a specific decision.

Translation differences

Translation differences are caused by the translation of the assets and liabilities of the GRK Group's foreign subsidiaries into the reporting currency of the consolidated financial statements. Exchange rate differences arising from net investments in foreign units are recognised in other comprehensive income in the consolidated financial statements.

Dividend

In 2024, GRK Infra Plc distributed EUR 6,576 thousand as dividend for the 2023 financial period, of which EUR 378 thousand was related to shares under the share redemption obligation and according to IFRS standars is presented as a finance expense in the statement of comprehensive income and 6,197 presented as dividend distribution (dividend distribution of EUR 6,400 thousand in 2023, of which finance expense EUR 135 thousand).

The Board of Directors proposes to the general meeting that a dividend of EUR 7,662 thousand be distributed to the shareholders, or EUR 0.204 per share. GRK Infra Plc's distributable funds on 31 December 2024 amount to EUR 95,854 thousand (31 December 2023: EUR 82,749 thousand).

Earnings per share

Basic earnings per share are calculated by dividing the profit for the financial period attributable to owners of the parent company by the weighted average number of shares outstanding during the financial period.

Earnings per share adjusted for dilution are calculated by dividing the profit for the financial period attributable to owners of the parent company by the weighted average number of shares outstanding during the financial period plus the number of shares that would be issued if all potential diluting shares were exchanged for shares. There were no dilutive instruments in the 2024 and 2023 financial periods.

Basic earnings per share

	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Profit for the financial period attributable to owners of the parent company (EUR thousand)	36,885	20,121
Average weighted number of shares during the financial period (thousand)*	39,635	40,278
Basic earnings per share, EUR	**0.93**	**0.50**

* Average weighted number of shares excluding own shares held by GRK Infra Plc.

19. BORROWINGS

EUR thousand	31 Dec 2024	31 Dec 2023
Non-current borrowings		
Bank loans	675	3,007
Installment debt	16,058	15,743
Total non-current borrowings	**16,733**	**18,750**
Current borrowings		
Bank loans	3,082	1,814
Installment debt	6,664	5,370
Total current borrowings	**9,747**	**7,184**
Total	**26,480**	**25,934**

The carrying amounts of borrowings are considered to be a reasonable approximation of their fair values based on the fact that they were initially recognised at fair value measured based on market interest rate.

Accounting policy

The withdrawn loans are initially recognised at fair value less transaction costs. Subsequently, the loans are measured at amortised cost. The difference between the amount raised (less transaction costs) and repaid amount is recognised in the income statement during the loan period using the effective interest method. Commissions paid for overdraft limits are recognised as loan-related transaction costs to the extent that using the limit in part or full is probable. In this case, the commission is capitalised until the loan is withdrawn. If there is no evidence that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The loans are derecognised when the contractual obligation has been fulfilled or revoked or it has expired. The difference between the carrying value of an amortised or transferred financial liability and consideration paid – which includes transferred non-cash assets or assumed liabilities – is recognised through profit or loss and reported in financial items.

Loans are classified as current if the Group does not have an unconditional right to defer the payment for a minimum of 12 months after the end of the reporting period.

20. PROVISIONS

EUR thousand	Onerous projects	Landscaping provisions	Warranty provisions	Total
2024				
1 January	**5,311**	**409**	**2,679**	**8,399**
Additions	3,388	-	1,670	5,059
Unused provisions reversed	−6	-	−25	−31
Used during the year	−3,092	−53	−1,606	−4,752
Translation differences	−35	-	−18	−53
At 31 Dec	**5,567**	**356**	**2,700**	**8,623**
Current	3,877	93	2,274	6,244
Non-current	1,690	262	426	2,379
Total	**5,567**	**356**	**2,700**	**8,623**

EUR thousand	Onerous projects	Landscaping provisions	Warranty provisions	Total
2023				
1 January	**2,653**	**645**	**628**	**3,926**
Additions	3,222	-	2,094	5,316
Used during the year	−566	−236	−44	−847
Translation differences	3	-	1	4
At 31 Dec	**5,311**	**409**	**2,679**	**8,399**
Current	2,757	38	2,027	4,821
Non-current	2,555	372	652	3,578
Total	**5,311**	**409**	**2,679**	**8,399**

Accounting policy

Provisions are recognised for legal claims, service-related warranties and the landscaping of sites when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle obligation and the amount of the obligation can be reliably estimated. No provisions are recognised for future operating losses.

The amount recognised as a provision is the present value of the expenses expected to be required to fulfil the obligation at the end of the reporting period according to the management's best estimate. The pre-tax interest rate reflecting the market view of the time value of money at the time of review and special risks pertaining to the obligation in question is used in calculating the present value. An increase in the provision due to the passing of time is recognised as an interest expense.

Onerous contracts

A provision is recognised for onerous contracts at full value when the estimated total expenditure required for completing the contract with customer exceed the future total income from the customer contract.

Landscaping provision

Landscaping provisions are associated with the landscaping obligations of environmental services, and they comprise future costs due to closing down, covering, subsequent monitoring and maintaining the final disposal area or extraction area. A landscaping provision is recognised pro rata to the actual use and total capacity under the environmental permit for sites with agreements involving such an obligation. Their expected useful life depends on the use of the final disposal of waste area or extraction site because landscaping is generally started after the end of its use or the expiry of the agreement.

Warranty provision

A warranty provision covers the repair expenses under a conventional warranty obligation after the completion of a contract.

Key management judgement and estimates

Management judgement is required when estimating whether a legal or constructive obligation has emerged due to which the outflow of resources to settle the obligation is probable. If a constructive obligation is considered to have emerged for the GRK Group, the management estimates its amount and timing.

Onerous contracts

Regarding onerous contracts, the management applies judgement concerning the expected economic benefit from the contract and makes estimates of the amount of loss to be recognised. The estimate is made based on the best knowledge available at the time of recognition using the management's experience in comparable situations in the past, but updates to the estimate might still be necessary based on new information received at a later point.

Landscaping provision

The management's estimate of landscaping costs is based on empirical data on the fulfilment of these obligations. The warranty provision is based on the management's estimate made based on the level of actual warranty expenses in the previous financial periods.

21. TRADE PAYABLES AND OTHER PAYABLES

EUR thousand	31 Dec 2024	31 Dec 2023
Non-current		
Accrued expenses	470	347
Other liabilities	100	100
Total	**571**	**447**
Current		
Trade payables	42,277	39,478
VAT liability	24,995	7,552
Other liabilities	3,914	7,703
Current tax liability	2,190	3,657
Accrued interest expenses	27	46
Accrued personnel expenses	29,190	24,006
Other accruals	5,654	2,424
Total	**108,247**	**84,864**

Other non-current liabilities have initially been recognised at fair value measured based on market interest rate. The carrying amounts of current trade payables and other payables are considered to correspond with their fair value due to their short maturity.

Accounting policy

Trade payables and other financial liabilities included in the item are initially recognised at fair value, and subsequently they are measured at amortised cost using the effective interest method. Trade payables and other payables are classified as current liabilities if they mature within 12 months of the end of the reporting period.

22. FINANCIAL RISK MANAGEMENT AND FINANCIAL ASSETS AND LIABILITIES

The company's financial risk is comprised of market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk.

Financial risks are primarily managed by the Group's financial administration in accordance with the Board-approved treasury policy and the Group's risk management policy. The Group's financial administration identifies, assesses and hedges against financial risks in close collaboration with the Group's business units. The Board of Directors issues written guidelines on the principles of general risk management and the principles concerning certain areas, such as foreign currency risk, interest rate risk, credit risk, use of other financial instruments and investing surplus liquid assets.

Foreign currency risk

The Group is not exposed to significant foreign currency risk because transactions primarily take place in the functional currency of each standalone entity. Translation risks largely concern the Swedish business. Transaction risks are hedged in accordance with the treasury policy approved by the Board of Directors of the Group. Translation risks are not hedged. The Group's CFO monitors exchange rate risks and their hedging. The company's foreign exchange differences affecting profit or loss have been insignificant in the reported periods.

Interest rate risk

The Group's most significant interest rate risk is caused by floating-rate non-current loans that expose it to the cash flow interest rate risk. Approximately one-half of the Group's debt has a fixed rate.

The interest income from cash flows and interest expense paid on loans increases or decreases following changes in interest rates, which has an impact on profit or loss. Due to the Group's strong cash position and very moderate loan situation, the Group's management estimates that the Group is not exposed to a significant interest rate risk.

Credit risk

Credit risk is associated with cash and cash equivalents and trade receivables and other receivables, contract assets and loan receivables.

The Group's customer base is mainly comprised of public-sector customers. Customer credit ratings are reviewed in accordance with the Group's treasury policy. The Group's management regularly assesses the credit risk of customers based on credit ratings and historical credit losses. The group has not recognised significant credit losses during the reporting periods.

Loans have been granted to shareholders in connection with the collective investment scheme (see Notes 5. Employee benefit expenses and 15. Trade receivables and other receivables) and in connection with the sale of property, plant and equipment to the buyer of the machine. The credit rating of the machine buyer was checked before granting the loan. The loans are secured, and the repayment of the loans has taken place in accordance with the instalment schedule, and the Group estimates that their credit risk is not significant. The fair value of the securities covers the majority of the nominal value of the loan receivables.

During the financial year 2024, the GRK Group granted a loan of EUR 300 thousand to SFtec Oy to complete the biochar plant in Utajärvi. A full impairment loss was recognised for the loan during the financial year, as the group's management assessed that the loan receivable would not be recovered due to the company's weak financial situation, following the SFtec's subsidiary, Carbon Balance Oy filing for corporate restructuring. The impairment has been recorded in other financial expenses.

Cash and cash equivalents are invested in solvent Nordic banks, and their credit risk is not considered to be significant. The principles of recognising impairment on financial assets are described in Note 15. Trade receivables and other receivables.

Liquidity risk

The objective of the Group's liquidity risk management is to keep adequate cash and cash equivalents and maintain access to adequate financing to ensure that obligations can be fulfilled when they fall due and that finance costs remain low. The company's primary source of financing are the cash flows from its operating activities. Due to the seasonal nature of the Group's business operations, the finance department maintains flexibility in financing by using a group account, in addition to which the company has bank overdrafts. The management monitors rolling estimates of the Group's liquidity reserve (described below) on the basis of expected cash flows. The Group's liquidity position is good.

The GRK Group's loans from financial institutions include financial covenants relating to the Group's gearing, EBITDA and equity ratio. The GRK Group reports the loan covenants to its lenders annually or semi-annually. The covenants have been fulfilled in the reported periods.

Financing arrangements

At the end of the reporting period, the Group had the following unused sources of financing:

Floating rate (EUR thousand)	2024	2023
Cash and cash equivalents	126,693	97,636
Maximum amount of the bank overdraft granted	11,500	11,500
of which in use	-	-

The bank overdraft is valid indefinitely and the bank can terminate it without notice.

Maturities of financial liabilities

The tables below present the Group's financial liabilities broken down into groups based on the remaining contractual maturity at the balance sheet date value. The figures presented in the table are contractual undiscounted cash flows, and they include interest payments estimated at the interest rate level of the balance sheet date.

EUR thousand	2025	2026	2027	2028	2029	2030–	Contractual cash flows total	Net book value
31 December 2024								
Borrowings	10,440	6,599	5,631	3,519	1,817	42	28,049	26,480
Lease liabilities	4,635	3,698	2,191	1,197	807	487	13,015	12,190
Trade payables	42,277	-	-	-	-	-	39,478	39,478
Total	**57,352**	**10,297**	**7,823**	**4,716**	**2,624**	**529**	**83,341**	**80,947**

EUR thousand	2024	2025	2026	2027	2028	2029–	Contractual cash flows total	Net book value
31 December 2023								
Borrowings	7,887	8,710	4,784	3,446	1,926	784	27,537	25,934
Lease liabilities	4,089	3,232	2,372	1,278	685	1,013	12,671	11,836
Trade payables	39,478	-	-	-	-	-	39,478	39,478
Total	**51,455**	**11,942**	**7,156**	**4,724**	**2,611**	**1,797**	**79,685**	**77,248**

Changes in financial liabilities

EUR thousand	Borrowings	Lease liabilities	Total
Loans and other financial liabilities at 1 January 2024	25,934	11,836	37,770
Additions to lease liabilities	-	5,317	5,317
Cash flows from financing activities	545	−4,568	−4,023
Changes in exchange rates and other changes	-	−395	−395
Loans and other financial liabilities at 31 December 2024	**26,480**	**12,190**	**38,670**

EUR thousand	Borrowings	Lease liabilities	Total
Loans and other financial liabilities at 1 January 2023	27,502	10,664	38,166
Additions to lease liabilities	-	5,943	5,943
Cash flows from financing activities	−1,569	−3,892	−5,461
Changes in exchange rates and other changes	1	−880	−879
Loans and other financial liabilities at 31 December 2023	**25,934**	**11,836**	**37,770**

Capital management

The purpose of the Group's capital management is to:

- ensure the ability to continue operations as going concern in order to be able to provide income to the shareholders and benefits to other stakeholders, and
- maintain the optimum capital structure to lower the costs of capital.

In order to maintain or change the capital structure, the Group can change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell its assets to reduce its debt.

The Group manages the equity and loans as shown on the balance sheet as capital. The Group's management monitors capital based on equity ratio and net debt. The equity ratio was 42.9% on 31 December 2024 (39.9% on 31 December 2023) and net debt EUR −88,024 thousand (EUR −59,866 thousand). The Group changed the method of calculationg Net debt in 2024 and the comparative period has been adjusted accordingly. Previously, net debt also included interest-bearing loan receivables, but according to the new calculation, net debt is calculated by subtracting cash and cash equivalents from the total amount of loans and lease liabilities.

23. CONTINGENT LIABILITIES AND COMMITMENTS

EUR thousand	31 Dec 2024	31 Dec 2023
Collaterals given		
Contract collaterals	166,362	102,793
Company mortgages	-	27,000

Contract guarantees are typical commitments related to project businesss and include, or example, performance and warranty guarantees as well as advance payment guarantees. At 31 December 2024 the group had a guarantee limit of EUR 295 million, of which EUR 60 million is subject to a covenant condition.

The company mortgage functioned as general collateral for the Group's loans and bank overdraft. Company mortage was released in 2024.

On the closing date, the GRK Group has EUR 2,397 thousand (31 December 2023: EUR 2,295 thousand) of grants received for development work subject to a repayment condition.

Investment commitments

By the end of the reporting period, agreements had been made on the following significant investments. No liabilities have been recognised on the balance sheet for the agreements:

EUR thousand	31 Dec 2024	31 Dec 2023
Investment commitments	4,433	6,560

The Group has no other commitments.

Legal proceedings and disputes

The company and its subsidiaries have not in the reported periods been parties to an administrative procedure, court action or arbitration that could have or has had a significant impact on the financial position or profitability of the company and/or its subsidiaries, with the exception of the Umeå bridge accident described below, and the company is not aware of the threat of such proceedings pending.

Environmental violation charge

GRK has been accused of an environmental violation. The charge was dismissed by the Helsinki Court of Appeal on 23 October 2024. The decision of the court is legally valid. The case concerned the transport of recycled metal by GRK Infra Plc, and the prosecutor's demands were related to the permit procedure for non-hazardous mineral material exported to the EU. The transport of metals and minerals has not endangered the environment. Instead, the case was about a difference in interpretation concerning transport documents.

Accident at the Umeå bridge site

In 2020, an accident took place at GRK Sverige AB's (former GRK Infra AB) Umeå construction site after the second phase of the bridge beam installation had commenced. During the installation phase, the bridge beam slid off its base so that it was damaged. Due to the incident, GRK Infra AB initiated arbitration and demanded the subcontractor to compensate for the damage and delay penalties incurred in an arbitral tribunal. The subcontractor contested GRK Sverige AB's claims and presented its own counterclaims in the process. Furthermore, GRK Sverige AB submitted a claim to the District Court of Helsinki concerning the guarantee granted by the subcontractor's Finnish parent company. By application of GRK Sverige AB, the District Court of Helsinki issued an order of attachment seizing the guarantor's assets equal to the amount of the guarantee.

In April 2023, GRK Sverige AB and the subcontractor made a settlement by which the dispute concerning the accident at the Umeå bridge construction site was finally settled between the parties. In accordance with the settlement, all legal proceedings concerning the dispute have been cancelled.

Accounting policy

A contingent liability is a probable liability arising from past events, the existence of which will only be confirmed once one or more uncertain future events not wholly within the control of the GRK Group occur. A contingent liability can also be an obligation whose existence is not probable or whose amount cannot be reliably determined. A contingent liability is not recognised as a liability on the balance sheet, but it is reported as an off-balance sheet commitment in the notes.

A contingent asset is a probable asset arising from past events, the existence of which will only be confirmed once one or more uncertain future events not wholly within the control of the GRK Group occur or do not occur. A contingent asset is not recognised on the balance sheet but reported in the notes.

Key management judgement and estimates

Whether the prerequisites for recognising a contingent liability are met is subject to management judgement. The estimate is made based on the best knowledge available at the time of recognition. If the prerequisites for recognising a contingent liability are met, the management estimates the amount of the liability.

24. SUBSIDIARIES

Subsidiary	Country of incorporation	Group's holding at 31 December 2024 (%)	Group's holding at 31 December 2023 (%)
GRK Sverige AB	Sweden	100	100
GRK Eesti AS	Estonia	100	100
GRK Suomi Oy	Finland	100	100

Accounting policy

In addition to the parent company GRK Infra Plc, the consolidated financial statements include its subsidiaries over which the Group has control. Control emerges when the company is, through its ownership interest, exposed to variable returns or is entitled to variable returns and has the ability to affect those returns through its power over the company. Subsidiaries are consolidated in the consolidated financial statements in full as of the day on which the Group obtains control over them, and consolidation is ceased when control is lost.

All internal business transactions, receivables and payables, unrealised profits arising from internal transactions and internal distribution of profit between the Group companies are eliminated in the consolidated financial statements. Unrealised losses are eliminated unless the transaction indicates impairment of the disposed asset. Where necessary, the subsidiaries' financial statements have been adjusted to correspond to the accounting principles followed by the Group.

The share of subsidiaries' profits and equity attributable to non-controlling interests is reported as a separate item on the consolidated statement of income, statement of comprehensive income, statement of changes in equity and balance sheet.

25. RELATED PARTY TRANSACTIONS

The GRK Group's related parties include the parent company, subsidiaries, associates, shareholders or entities with significant influence in the company and the company's key management personnel, which includes the members of the Board of Directors of the parent company and members of the Group management team. Related parties also include the close family members of the persons mentioned above and entities over which the above-mentioned persons and their close family members have control or joint control. The structure of the Group is described in Note 24. Subsidiaries.

Keijo Haavikko, Finnish Industry Investment Ltd (TESI) and Ilmarinen Mutual Pension Insurance Company exercise significant influence over the GRK Group.

The table below presents the holdings of the key management personnel of the company's outstanding shares at the end of each reporting period. Changes in the ownership between the Members of the Board of Directors and Management Team are due to one member transitioning to board and stepping down from the management team.

In addition, one of the members of key management personnel has synthetic options. The synthetic options are described in Note 5. Employee benefit expenses.

Holding	31 Dec 2024	31 Dec 2023
Members of the Board of Directors	14.6%	1.6%
CEO	0.4%	0.4%
Management team and members of the Board of Directors employed by the Group	1.9%	16.9%
Total	**16.9%**	**18.9%**

The table below presents the wages and salaries paid to the key management personnel. In accordance with the decision of the general meeting of shareholders, members of the Board of Directors employed by the GRK Group, who are part of the performance-based compensation system, are not paid separate fees for their Board membership. In addition to the CEO, the Management Team included 11 persons on average during the 2024 financial period (10 in 2023).

EUR thousand	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Members of the Board of Directors		
Board compensation	167	150
Salaries and other short-term employee benefits *	129	-
Pension costs - defined contribution plans	23	-
CEO		
Wages, salaries and other short-term employee benefits	554	353
Pension costs - defined contribution plans	85	62
Management team		
Wages, salaries and other short-term employee benefits	2,680	2,685
Pension costs - defined contribution plans	507	569
Cash settled share based payment transactions	71	-
Total	**4,216**	**3,819**

* The salary mainly consists of fees and wages accrued from the board member's previous employment and from 2023, which were paid in 2024.

The general meeting of shareholders decides on the remuneration of the Board of Directors, whereas the Board of Directors decides on the wages and salaries and other terms of employment of the CEO and the management team. The period of notice specified in the employment contracts of the CEO and members of the management team is from one to four months. The CEO and certain individual members of the management team are, in certain situations, entitled to severance pay equal to their base salary for 3–6 months. The Chief Executive Officer and members of the management team employed by the GRK Group are included in the scope of the statutory pension system of each country, offering statutory pension cover based on the period of service and earnings.

The table below presents the related party transactions of the GRK Group and outstanding balances.

Related party transactions

EUR thousand	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Key management personnel		
Sales of goods and services, and other income	50	-
Interest income	29	13
Dividends paid	–1,046	–1,209
Share redemptions	–2,634	–121
New shares subscribed in directed share issue	75	143
Entities with significant influence		
Dividends paid	–1,139	–1,105
Other related party companies		
Consulting fees	–29	–12

Balances with related parties

EUR thousand	31 Dec 2024	31 Dec 2023
Key management personnel		
Loan receivables	450	566
Share redemption debt	-	2,774

In addition to the transactions presented in the tables above, the statutory pension insurance of the GRK Group's Finnish companies (see Note 5. Employee benefit expenses) is provided by Ilmarinen Mutual Pension Insurance Company. The Board of Directors approves consulting services performed by a related party acquired from related party companies. All related party transactions have been conducted on market terms.

The loans granted to key management personnel are related to the collective investment schemes, which are reported in Note 5. Employee benefit expenses. The terms and conditions of the loans granted are described in Note 15. Trade receivables and other receivables. Transactions with key management shareholders including dividends, loan receivables granted in connection with the collective investment scheme and subscription of new shares and share redemptions were carried out under the same terms and conditions as transactions with other shareholders. The number of shares acquired from key management personnel in the 2024 financial period was 1,210,177 (38,000 in the 2023 financial period).

26. EVENTS AFTER THE CLOSING DATE

The current CEO of GRK (GRK Infra Plc), Juha Toimela, will reach the retirement age specified in his contract in 2025. On 8 January 2025, GRK announced that the Board of Directors has decided to appoint Mika Mäenpää, CEO of GRK Sverige AB, as the company's future CEO. According to the current estimate, the change of CEO will take place by 30 September 2025 at the latest. Juha Toimela will provide Mika Mäenpää support in the transfer of duties until the end of the year, if necessary. Until the change, Juha Toimela and Mika Mäenpää will continue to be responsible for their current duties.

On 24 January 2025, GRK announced that Carl Andersson has been appointed as CEO of GRK Sverige AB and a member of GRK's Group Management Team. Andersson has extensive experience in the construction industry, and he has worked at GRK for several years. According to the current estimate, Carl Andersson will start as CEO of the country company in Sweden by 30 September 2025, at which time Mika Mäenpää will take over as the CEO of GRK Infra Plc.

Parent company income statement (FAS)

EUR	Note	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
REVENUE	2.1	**3,549,156.91**	**2,675,347.62**
Other operating income	2.2	12,952.52	531,905.01
Personnel expenses	2.3	3,079,117.47	3,075,550.19
Other operating expenses	2.4	2,139,780.70	1,438,945.65
OPERATING PROFIT (LOSS)		**−1,656,788.74**	**−1,307,243.21**
Finance income and expenses total	2.6	18,530,042.89	2,801,501.27
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES		**16,873,254.15**	**1,494,258.06**
Appropriations	2.7	9,195,000.00	7,840,000.00
Income taxes	2.8	−1,434,447.02	−1,396,361.91
PROFIT FOR THE FINANCIAL PERIOD		**24,633,807.13**	**7,937,897.15**

Parent company balance sheet (FAS)

	Note	31 Dec 2024	31 Dec 2023
ASSETS			
NON-CURRENT ASSETS			
Investments	3.1.1	56,227,120.39	56,227,120.39
TOTAL NON-CURRENT ASSETS		56,227,120.39	56,227,120.39
CURRENT ASSETS			
Receivables			
Non-current receivables	3.2.1	6,427,153.58	8,725,853.62
Current receivables	3.2.1	25,674,294.23	11,236,917.30
Cash and cash equivalents		96,900,299.42	88,536,127.73
TOTAL CURRENT ASSETS		129,001,747.23	108,498,898.65
TOTAL ASSETS		185,228,867.62	164,726,019.04

	Note	31 Dec 2024	31 Dec 2023
SHAREHOLDERS' EQUITY AND LIABILITIES			
EQUITY			
Share capital	3.3.1	80,000.00	80,000.00
Reserve for invested unrestricted equity	3.3.2	38,591,304.69	38,516,390.79
Retained earnings	3.3.2	32,629,072.78	36,294,548.95
Profit for the financial period	3.3.2	24,633,807.13	7,937,897.15
TOTAL EQUITY		95,934,184.60	82,828,836.89
LIABILITIES			
Non-current liabilities	3.4.1	0.00	607,142.82
Current liabilities	3.4.2	89,294,683.02	81,290,039.33
TOTAL LIABILITIES		89,294,683.02	81,897,182.15
TOTAL EQUITY AND LIABILITIES		185,228,867.62	164,726,019.04

Parent company cash flow statement (FAS)

	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Cash flow from operating activities		
Sales income	3,679,642.54	3,960,287.07
Other operating income	12,952.52	7,802.42
Operating expenses	−4,943,908.38	−5,132,283.09
Net cash from operating activities before financial items and taxes	**−1,251,313.32**	**−1,164,193.60**
Paid interest and payments for other finance expenses	−521,361.45	−95,340.11
Interest received from operations	2,703,899.80	1,452,074.60
Other operating financial items	7,998,128.46	7,471,954.58
Direct taxes paid	−2,684,993.05	37,687.02
Cash flow from operating activities	**6,244,360.44**	**7,702,182.49**
Cash flow from investing activities		
Loans granted	−5,300,000.00	−1,797,003.00
Repayment of loan receivables	2,723,700.04	6,738,933.15
Increase/decrease in current investments	0.00	2,011,451.40
Interest received from loan receivables and other investments	418,967.99	475,763.71
Cash flow from investing activities	**−2,157,331.97**	**7,429,145.26**

	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Cash flow from financing activities		
Share issue	74,913.90	2,949,301.09
Repurchase of own shares	−5,027,435.52	−1,985,632.65
Proceeds from current borrowings	9,179,888.32	50,356,637.10
Repayments of current borrowings	−1,214,285.68	−1,214,285.72
Group contributions received and paid	7,840,000.00	0.00
Dividends paid and other distribution of profits	−6,575,937.80	−6,399,736.16
Cash flow from financing activities	**4,277,143.22**	**43,706,283.66**
Increase (+) / decrease (-) in cash and cash equivalents	**8,364,171.69**	**58,837,611.41**
Cash and cash equivalents at the beginning of the financial year	88,536,127.73	29,698,516.32
Cash and cash equivalents at end of year	**96,900,299.42**	**88,536,127.73**

Notes to the parent company's financial statements

1. PARENT COMPANY ACCOUNTING POLICY

The financial statements of GRK Infra Plc have been prepared in accordance with the principles of Finnish accounting legislation. The financial statements are drafted for the period of 12 months from 1 January to 31 December 2024.

GRK Infra Plc is the parent company of the Group. The consolidated financial statements of GRK Infra Plc are available at GRK Infra Plc, Jaakonkatu 2, FI-01620 Vantaa, Finland.

Related party is defined according to IAS 24 standard.

2. NOTES TO THE INCOME STATEMENT

2.1 Breakdown of revenue	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Disaggregation of revenue by market area		
Geographical breakdown		
Finland	2,352,694.35	1,896,751.68
Estonia	342,279.22	198,609.47
Sweden	854,183.34	579,986.47
Total revenue	**3,549,156.91**	**2,675,347.62**

2.2 Other operating income	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Other operating income	12,952.52	531,905.01
Total other operating income	**12,952.52**	**531,905.01**

2.3 Personnel expenses and average number of personnel	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
During the financial period, the company's average number of personnel was		
White-collar	15	13
Total	**15**	**13**
Personnel expenses		
Wages and salaries	2,613,024.22	2,559,565.36
Pension expenses	402,208.12	373,641.82
Other social security expenses	63,885.13	142,343.01
Total personnel expenses	**3,079,117.47**	**3,075,550.19**
Management wages and salaries		
Members of the Board of Directors and the CEO	850,162.00	502,541.60
Related party transactions		
Loans to related parties 1.1.	**566,176.00**	**628,170.00**
Reductions	−116,140.00	−61,994.00
Loans to related parties 31.1.	**450,036.00**	**566,176.00**
Other related party transactions		
Interest income	29,466.72	13,139.37
Dividends paid	2,185,736.36	2,313,867.20
Share issue	74,913.90	142,920.00
Services purchased	29,356.25	12,000.00

Loans granted to related parties and other related party transactions do not include transactions between group companies.

2.4 Other operating expenses	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Vehicle expenses	87,902.19	77,610.72
IT hardware and software expenses	718,780.88	534,225.23
Consulting, advisory and administrative services	835,534.08	494,886.98
Travel expenses	38,435.37	34,729.56
Other operating expenses	459,128.18	297,493.15
Total other operating expenses	**2,139,780.70**	**1,438,945.65**

2.5 Auditors' fees	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
PricewaterhouseCoopers		
Auditing	90,263.40	68,910.00
Tax advisory services	0.00	2,000.00
Other services	160,005.00	13,416.63
Total	**250,268.40**	**84,326.63**

2.6 Finance income and expenses	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Other interest and finance income		
From Group companies	19,151,133.05	2,391,245.15
From others	2,888,349.86	1,521,132.06
Total other interest and finance income	22,039,482.91	3,912,377.21
Interest expenses and other finance expenses		
To Group companies	2,765,195.39	982,176.45
To others	444,244.63	128,699.49
Total interest expenses and other finance expenses	3,209,440.02	1,110,875.94
Finance income and expenses total	**18,830,042.89**	**2,801,501.27**

2.7 Appropriations	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Group contributions received	9,195,000.00	7,840,000.00
Total appropriations	**9,195,000.00**	**7,840,000.00**

2.8 Income taxes	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Income taxes on operations	−1,434,447.02	−1,396,360.91

3. NOTES TO THE BALANCE SHEET

3.1 Non-current assets

3.1.1 Investments

	Group companies		Receivables	
2024	**Shares in Group companies**	**Other**	**Group companies**	**Total**
Cost at 1 January 2024	56,030,585.31	197,785.08	0.00	56,228,370.39
Cost at 31 December 2024	**56,030,585.31**	**197,785.08**	**0.00**	**56,228,370.39**
Accumulated impairment at 1 January 2024	−1,250.00	0.00	0.00	−1,250.00
Accumulated impairment at 31 December 2024 *	**−1,250.00**	**0.00**	**0.00**	**−1,250.00**
Book value 31 December 2024	**56,029,335.31**	**197,785.08**	**0.00**	**56,227,120.39**
Book value 31 December 2023	**56,029,355.31**	**197,785.08**	**0.00**	**56,227,120.39**

	Group companies		Receivables	
2023	**Shares in Group companies**	**Other**	**Group companies**	**Total**
Cost at 1 January 2023	56 030 585.31	197 785.08	2 321 523.98	58 549 894.37
Disposals	0.00	0.00	−2,321,523.98	−2,321,523.98
Cost at 31 December 2023	**56,030,585.31**	**197,785.08**	**0.00**	**56,228,370.39**
Accumulated impairment at 1 January 2023	−1,250.00	0.00	0.00	−1,250.00
Accumulated impairment at 31 December 2023 *	**−1,250.00**	**0.00**	**0.00**	**−1,250.00**
Book value 31 December 2023	**56,029,335.31**	**197,785.08**	**0.00**	**56,227,120.39**
Book value 31 December 2022	**56,029,355.31**	**197,785.08**	**2,312,523.98**	**58,548,644.37**

* The shares in Infra Polar Oy have been written-down in full (EUR 1,250) because the company does not have and has not had any operations. The company has also been deregistered from the Trade Register.

Shares in Group companies

Name	Country of incorporation	Holding
GRK Eesti AS	Estonia	100%
GRK Suomi Oy	Finland	100%
GRK Sverige Ab	Sweden	100%

3.2 Current assets

3.2.1 Receivables	31 Dec 2024	31 Dec 2023
Non-current receivables		
Loan receivables from Group companies	3,156,572.39	5,054,402.73
Loan receivables from shareholders	3,270,581.19	3,671,450.89
Total non-current receivables	**6,427,153.58**	**8,725,853.62**
Current receivables		
Receivables from Group companies		
Group contribution receivables	9,195,000.00	7,840,000.00
Dividend receivables	8,199,951.90	0.00
Other prepaid expenses and accrued income from Group companies	6,800.54	88.82
Loan receivables from Group companies	6,897,830.34	2,322,830.34
Trade receivables from Group companies	762,931.88	893,417.51
Total current receivables from Group companies	**25,062,514.66**	**11,056,336.67**
Receivables from others		
Other receivables	16,470.18	0.00
Prepaid expenses and accrued income	595,309.39	180,580.63
Total receivables from others	611,779.57	180,580.63
Total current receivables	**25,674,294.23**	**11,236,917.30**
Breakdown of prepaid expenses and accrued income:		
Accrued compulsory insurance premiums	280.07	14,926.64
Income taxes	405,752.92	1,109.56
Interests	92,062.62	97,330,37
Other prepaid expenses and accrued income	97,213.78	67,214.06
Total prepaid expenses and accrued income	**595,309.39**	**180,580.63**

3.3 Equity

3.3.1 Restricted equity	31 Dec 2024	31 Dec 2023
Share capital 1 January	80,000.00	80,000.00
Share capital 31 December	80,000.00	80,000.00
Total restricted equity	**80,000.00**	**80,000.00**

3.3.2 Unrestricted equity	31 Dec 2024	31 Dec 2023
Reserve for invested unrestricted equity 1 January	38,516,390.79	35,567,089.70
Increase during the financial period from share issues	74,913.90	2,949,301.09
Reserve for invested unrestricted equity 31 December	**38,591,304.69**	**38,516,390.79**
Retained earnings 1 January	44,232,446.10	44,679,917.76
Dividend distribution	−6,575,937.80	−6,399,736.16
Redemption of own shares	−5,027,435.52	−1,985,632.65
Retained earnings 31 December	**32,629,072.78**	**36,294,548.95**
Profit for the financial period	**24,633,807.13**	**7,937,897.15**
Total unrestricted equity	**95,854,184.60**	**82,748,836.89**
Total equity	**95,854,184.60**	**82,828,836.89**

3.3.3 Distributable unrestricted equity	31 Dec 2024	31 Dec 2023
Retained earnings	32,629,072.78	36,294,548.95
Profit for the financial period	24,633,807.13	7,937,897.15
Reserve for invested unrestricted equity	38,591,304.69	38,516,390.79
Total distributable unrestricted equity	**95,854,184.60**	**82,748,836.89**

3.4 Liabilities

3.4.1 Non-current liabilities	31 Dec 2024	31 Dec 2023
Loans from financial institutions	0.00	607,142.82
Total non-current liabilities	**0.00**	**607,142.82**

3.4.2 Current liabilities	31 Dec 2024	31 Dec 2023
Trade payables to Group companies	10,231.52	7,079.03
Group cash pool payable	86,786,233.86	77,606,345.53
Interest liabilities to Group companies	0.00	42,117.84
Total liabilities to Group companies	**86,796,465.38**	**77,655,542.40**
Loans from financial institutions	607,142.86	1,214,285.72
Trade payables to others	196,382.65	208,556.05
Other liabilities	367,220.67	109,314.23
Accrued expenses	1,327,471.76	2,102,340.93
Total current liabilities	**89,294,683.32**	**81,290,039.33**
Breakdown of accruals:		
Accrued personnel expenses	1,314,366.13	1,256,438.26
Accrual of income taxes	0.00	845,902.67
Interest liabilities	13,105.63	0.00
Total accruals	**1,327,471.76**	**2,102,340.93**

4. OTHER NOTES

4.1 Notes concerning guarantees and commitments

4.1.1 Guarantees based on contract agreements issued by financial institutions and insurance companies for which a countersecurity has been pledged as collateral	31 Dec 2024	31 Dec 2023
Contract collaterals	0.00	69,000.00

4.1.2 Other collateral given for own commitments	31 Dec 2024	31 Dec 2023
Company mortgages	0.00	17,000,000.00

4.1.3 Collaterals for Group companies	31 Dec 2024	31 Dec 2023
Guarantees for subsidiaries' leasing and installment debt agreements	14,806,978.28	11,115,120.95
Guarantees based on subsidiaries' contract agreements for which a countersecurity has been pledges as collateral	166,361,867.00	102,724,251.32
Total	**181,168,845.28**	**113,839,372.27**
Total amount of the bank overdraft granted	10,000,000.00	10,000,000.00
of which in use	0.00	0.00

Synthetic options

The personnel of the GRK Group has been granted synthetic options as part of the parent company GRK Infra Plc's share-based incentive schemes. The GRK Group has organised one synthetic option plan that covered a limited number of the company's employees in 2019. All subscribed options, totalling 422,180 options (84,436 options calculated using the numbers before the share split carried out during the 2022 financial period), were granted at the same time in 2019. The synthetic option plan had a fixed term expiring in 2024, and it granted the participants an opportunity to a cash-settled reward. The plan included a market condition, and additionally service conditions. The reward was not to be paid if the conditions were not met at the end of the plan. The options do not entitle their holder to subscribe for shares. The number of outstanding synthetic options was 268,660 at the end of the 2023 financial period (268,660 in 2022).

In the company's financial statements (FAS), the synthetic option plan was treated as an off-balance sheet arrangement. Calculated using the value at the balance sheet date of 2023, the off-balance sheet liability for the synthetic option plan was EUR 12,640. The program ended in the financial year 2024, and a total of 538 thousand euros was paid to participants, of which GRK Infra Oyj's share was 71 thousand euros.

Board of Directors' proposal for the distribution of profit

The company's distributable funds are EUR 95,854,184.60, of which the profit for the financial period is EUR 24,633,807.13.

The Board proposes to the Annual General Meeting that the distributable funds be used as follows:

- A dividend of EUR 0.204 be distributed for each share outstanding at the time of dividend payout, totalling 37,560,946 shares, or EUR 7,662,432.98
- The remaining distributable funds of EUR 88,191,751.62 will be retained in equity

The company's liquidity is good and the proposed distribution of profits will not compromise the company's liquidity.

Signatures to the financial statements and the report of the Board of Directors

Vantaa, 25 February 2025

GRK Infra Oyj

Kari Kauniskangas
Chairman of the Board

Keijo Haavikko
Member of the Board

Esa Lager
Member of the Board

Tarja Pääkkönen
Member of the Board

Johanna Korhonen
Member of the Board

Jukka Nikkanen
Member of the Board

Juha Toimela
Chief Executive Officer

Auditor's note

A report on the audit performed has been issued today

Helsinki, 25 February 2025

PricewaterhouseCoopers Oy
Authorised Public Accountants

Markku Launis
Authorised Public Accountant (KHT)

Auditor's Report

(Translation of the Finnish Original)

To the Annual General Meeting of GRK Infra Oyj

Report on the Audit of the Financial Statements

Opinion

In our opinion

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

What we have audited

We have audited the financial statements of GRK Infra Oyj (business identity code 0533768-1) for the year ended 31 December, 2024. The financial statements comprise:

- the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, which include material accounting policy information and other explanatory information
- the parent company's balance sheet, income statement, cash flow statement and notes.

Basis for Opinion

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

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

Independence

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

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or to cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki 25 February 2025
PricewaterhouseCoopers Oy
Authorised Public Accountants

Markku Launis
Authorised Public Accountant (KHT)

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