

Half-year Report 1-6/2025
SRV Group Plc
8 August 2025

Revenue and order backlog contract – strong financial reserves

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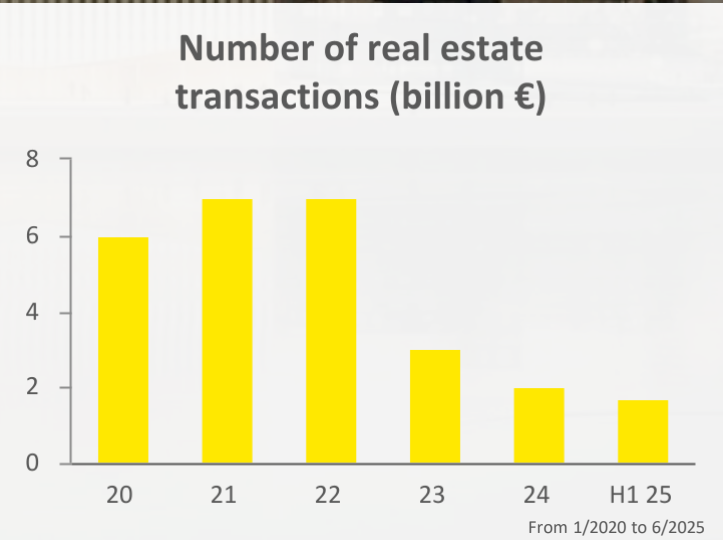
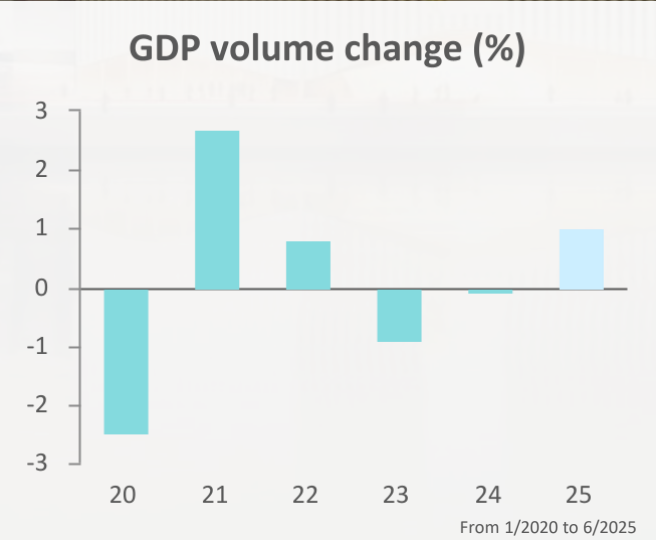
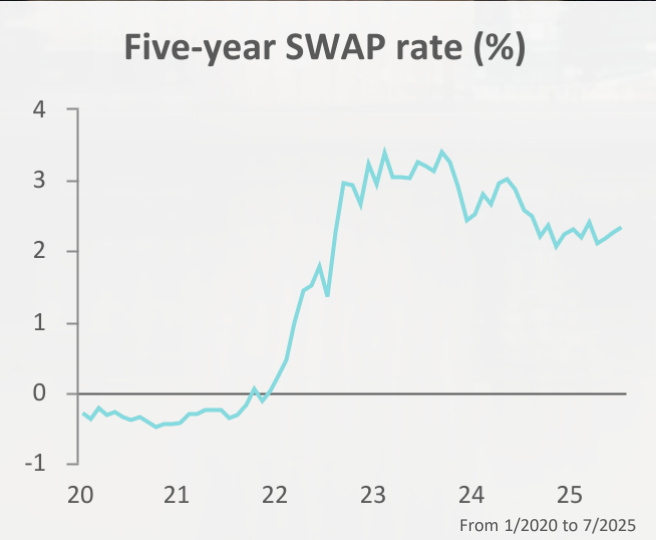
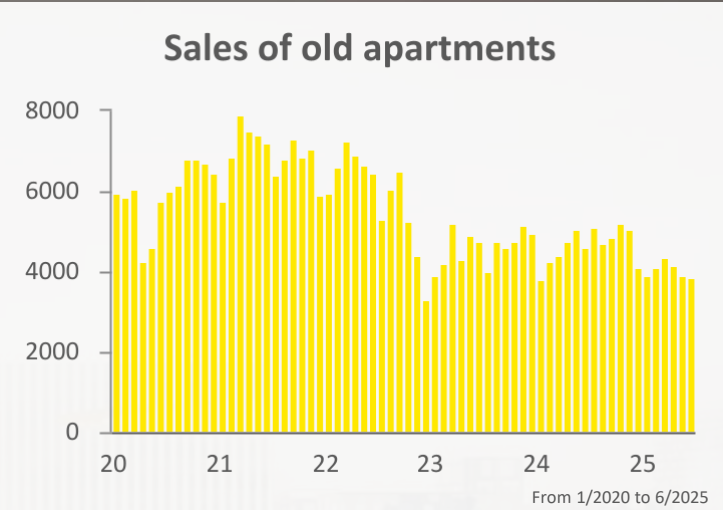
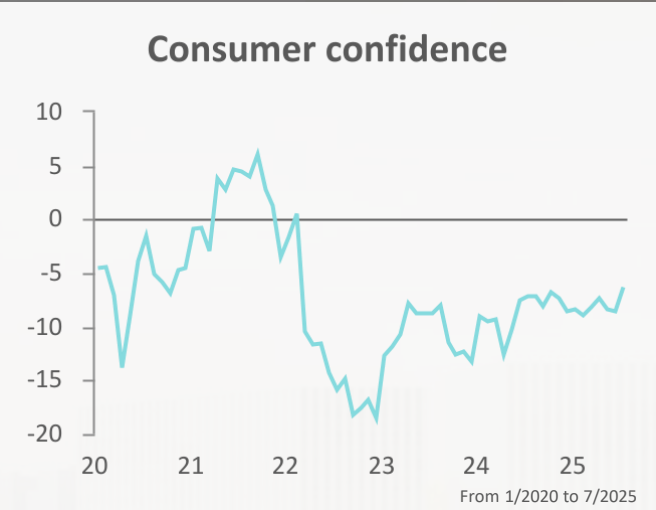
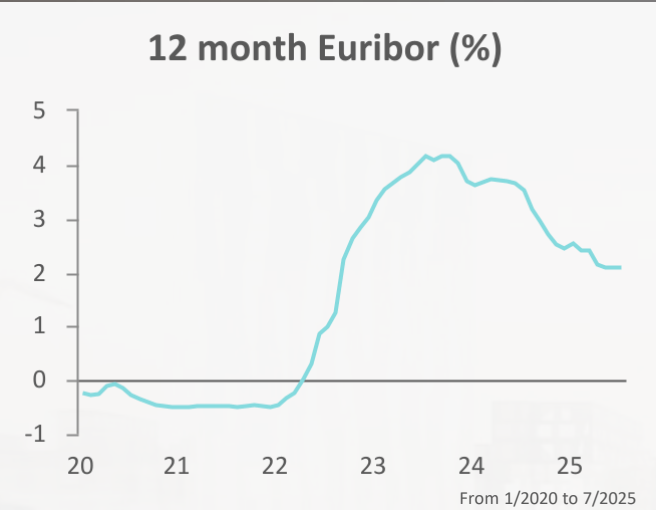


Content

- 1 Market overview
- 2 Strategy
- 3 Half-year Report H1 2025
- 4 Outlook 2025



Positive signs of the market improving



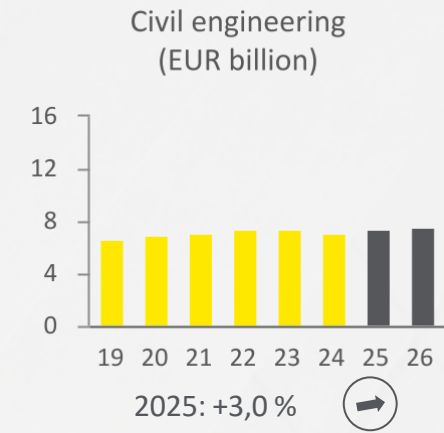
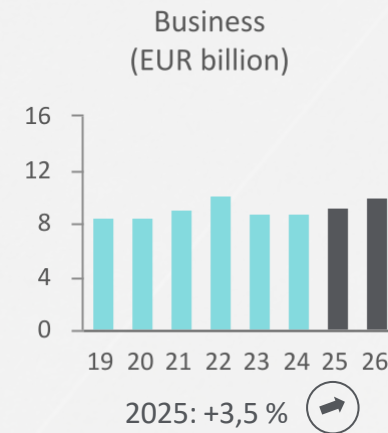
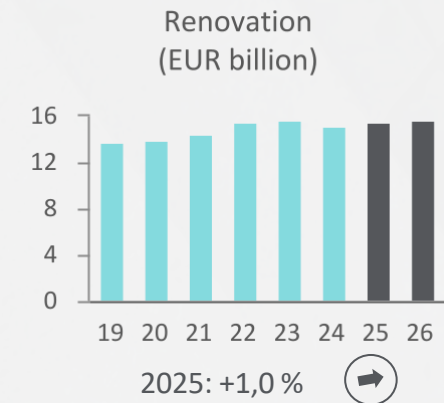
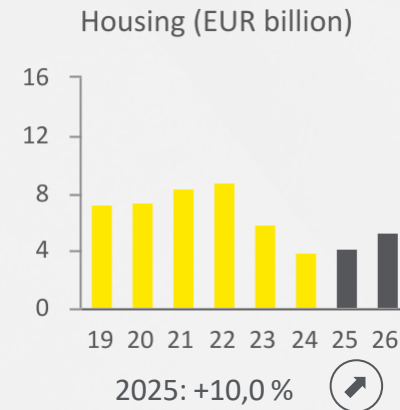
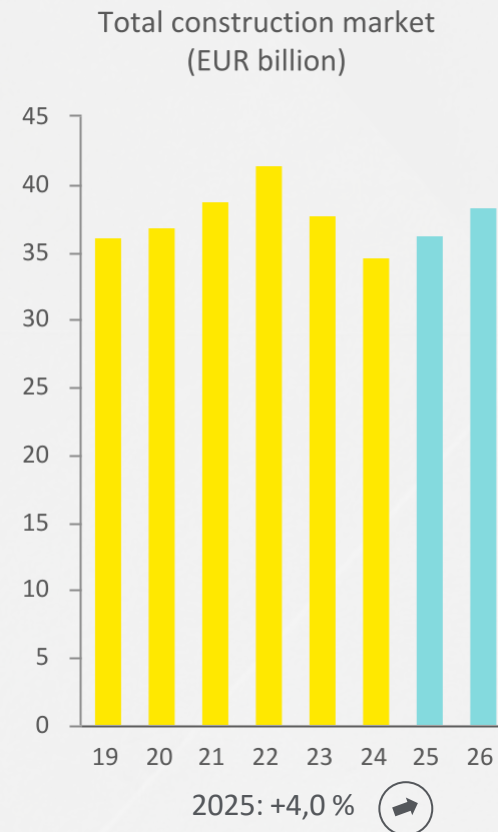
Sources: Bank of Finland, Statistics Finland, KTI, Investing.com

No major changes in the market outlook for construction

- The decline in interest rates improves the starting conditions in all segments; Investors' yield requirements for both housing and business premises projects remain relatively high
- Consumers' purchasing power has strengthened, which reflects in improved activity in the housing market. Uncertainty about the economy continues to weigh heavily
- Construction costs have decreased somewhat, which has a positive impact on the prerequisites for start-ups
- In the construction of business, demand from the public sector supports volumes
- The limited investment demand from real estate investors is primarily focused on the existing property stock

Source: SRV

CFCI's forecast



Source: CFCI

Revenue and the order backlog contracted

Business 1-6/2025

Revenue

330.2 m€ (353.2)

Operative operating profit

1.9 m€ (2.7)

Order backlog remained strong

931.8 m€ (1,067.3)

Decreased volumes burdened the business

Operative operating profit decreased from the comparison period

Order backlog decreased

Portfolio change in line with strategy delayed, but own project development base further strengthened

The company's balance sheet is healthy, and its financial reserves are strong

Market situation remains uncertain

As a result of the long-term weak market situation, competition for contracts has intensified

Opportunities to buy a home have improved, but uncertainty about the economy continues to weigh on intentions to buy a home

When the market turns, we have positioned ourselves well from the point of view of supply

Sustainably profitable

SRV's strategy 2024-2027

OUR OBJECTIVE

We seek to build a lifecycle-wise environment by listening to our customers and other stakeholders

CUSTOMER PROMISE

By listening, we build wisely.

STRATEGIC OBJECTIVES

- Increase shareholder value
- Provide an excellent customer experience
 - Be a desired employer
 - Mitigate climate change

STRATEGIC PRIORITIES

- A portfolio that is optimised for market conditions and risk management
 - Lifecycle-wise construction
 - Customer work that produces value
 - Efficiency and digitalisation
- Corporate culture, people and expertise

MEGATRENDS

Accelerating climate change

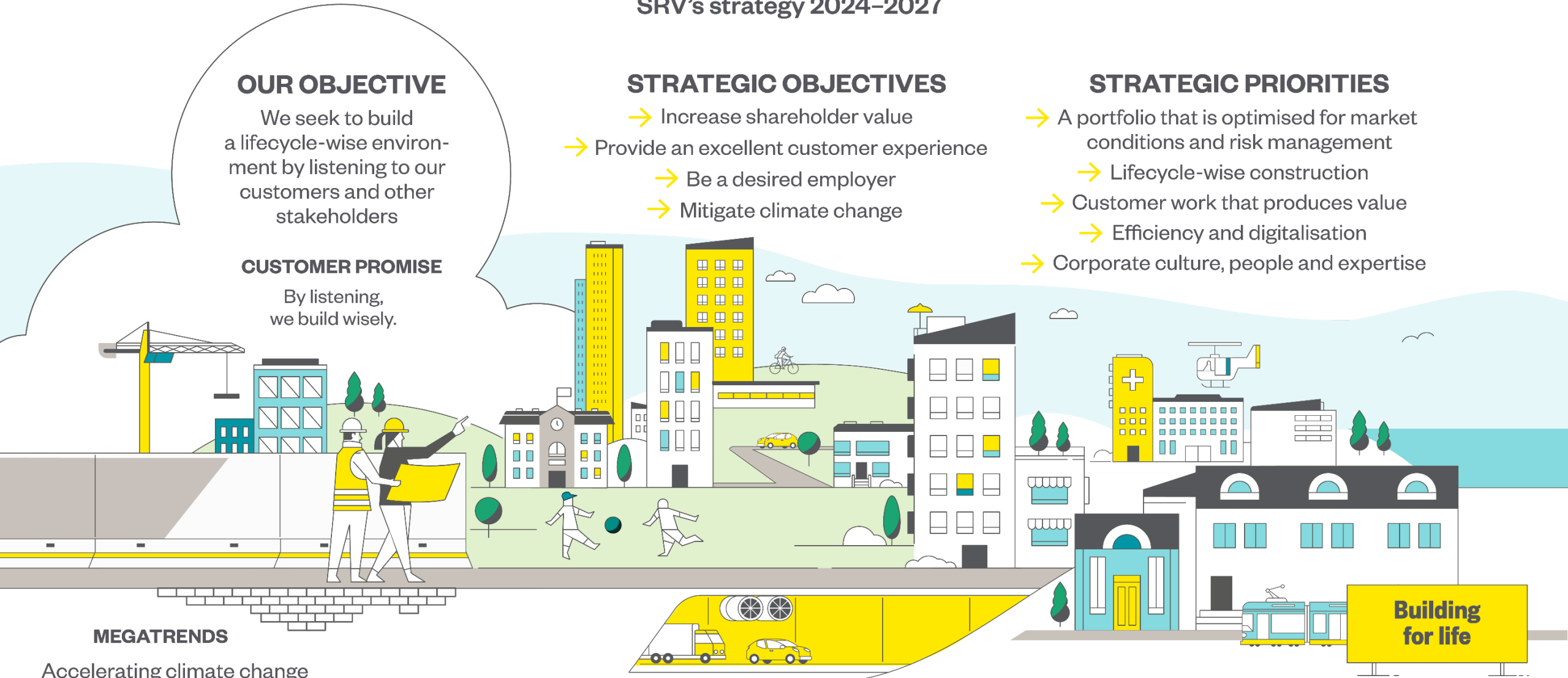
Denser cities

Accelerating digitalisation

VALUES

We're great to work with • Our expertise delivers results • Our enthusiastic approach takes us far

SRV



Building
for life

SRV values – our way of working

**WE'RE
GREAT TO
WORK WITH**

**OUR EXPERTISE
DELIVERS
RESULTS**

**OUR
ENTHUSIASTIC
APPROACH
TAKES US FAR**

From a difficult market towards sustainable profitability improvement

LONG-TERM GOALS

2027

WE GROW THE RELATIVE SHARE OF



Development and developer-contrated projects
HOUSING

WE GROW



Development projects
BUSINESS

WE STRENGTHEN



Cooperative projects
BUSINESS

>50 million EUR
Operative operating profit

> 900
million EUR

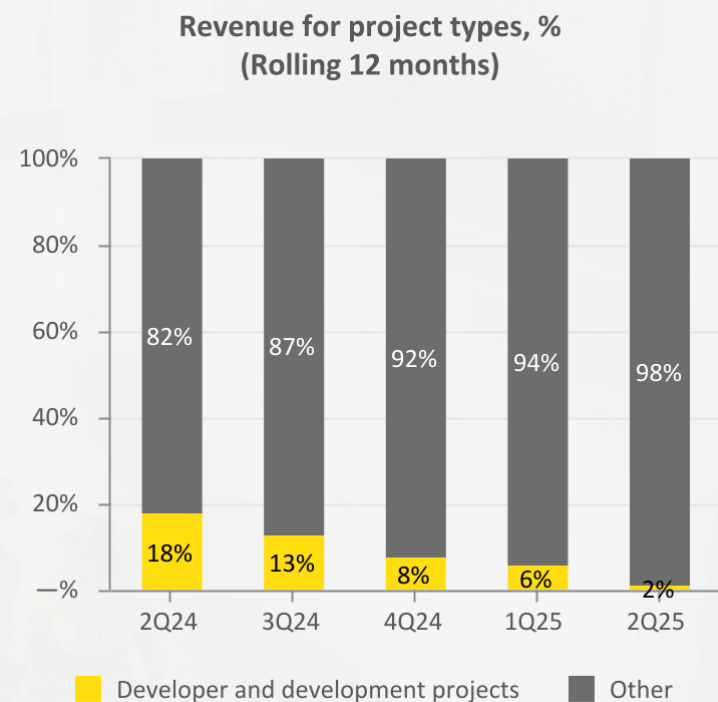
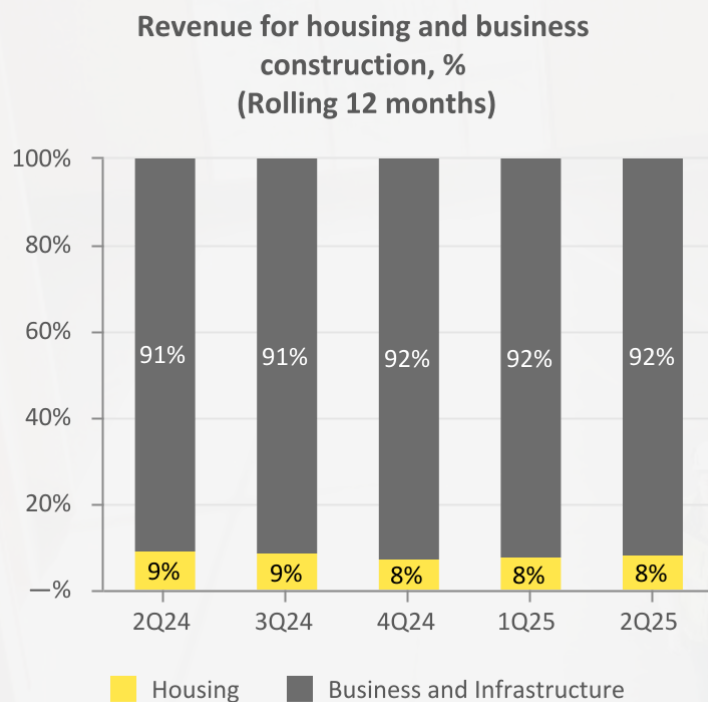
Revenue

The target is to distribute a dividend of 30-50% of the annual result, considering the company's outlook and capital needs.

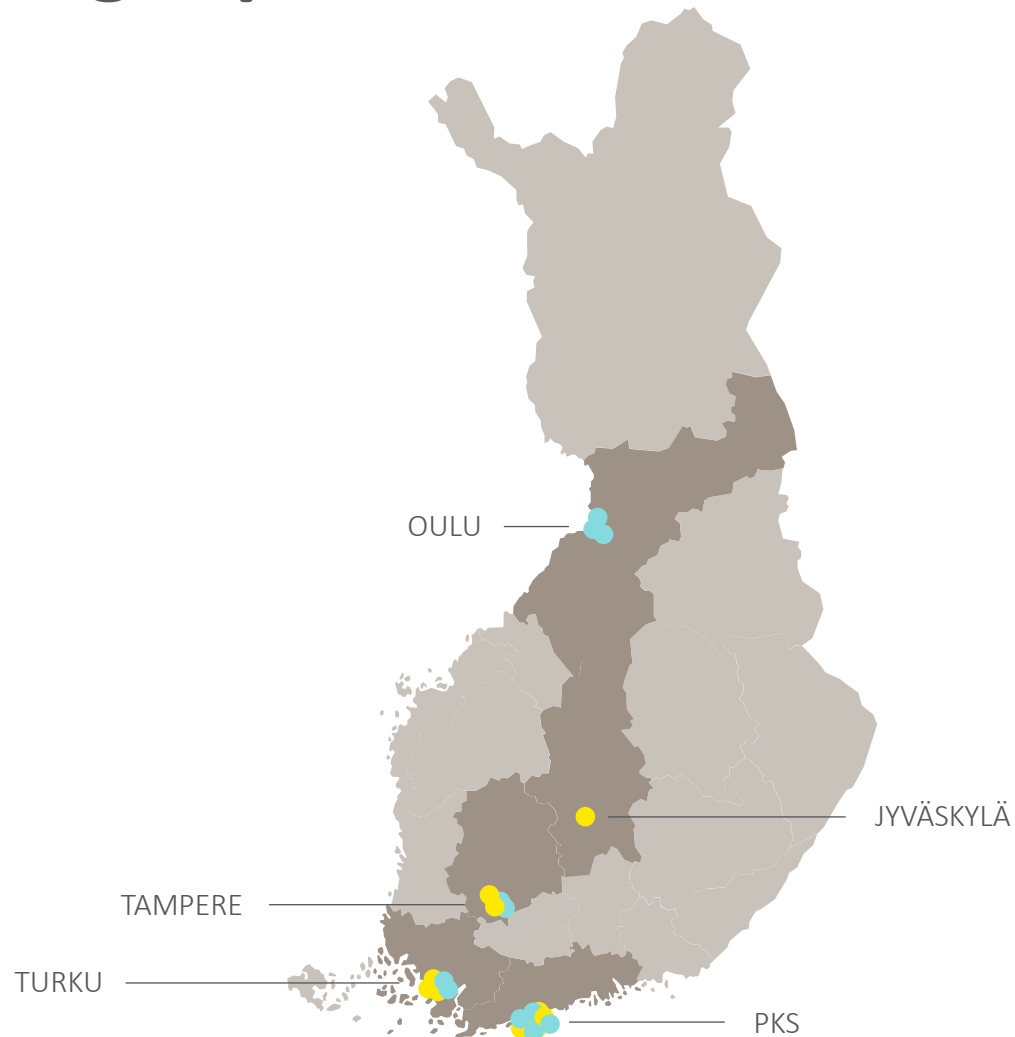
Optimized portfolio structure and risk management

Life cycle wisdom

Strategy: Portfolio change delayed



An extensive project development pipeline enables the target portfolio



Housing (self-developed and self-developed projects)
approx. 370,000 floor m²

Greater Helsinki area, 307,000 floor m²
Regions, 65,000 floor m²

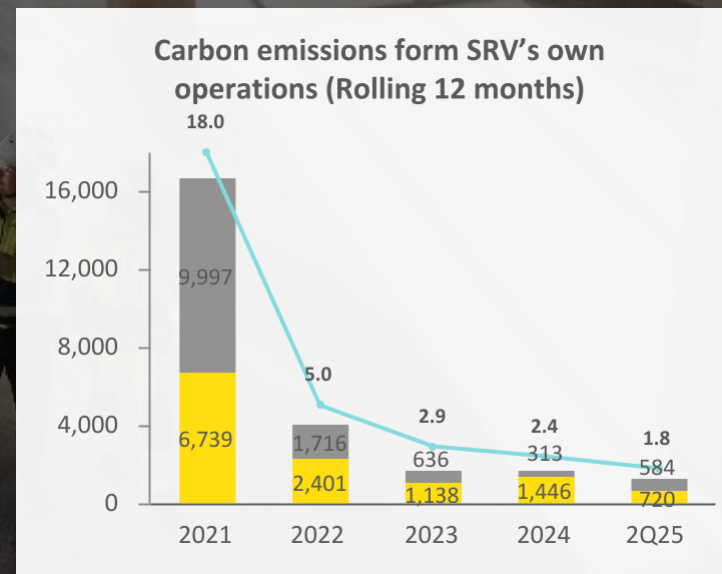
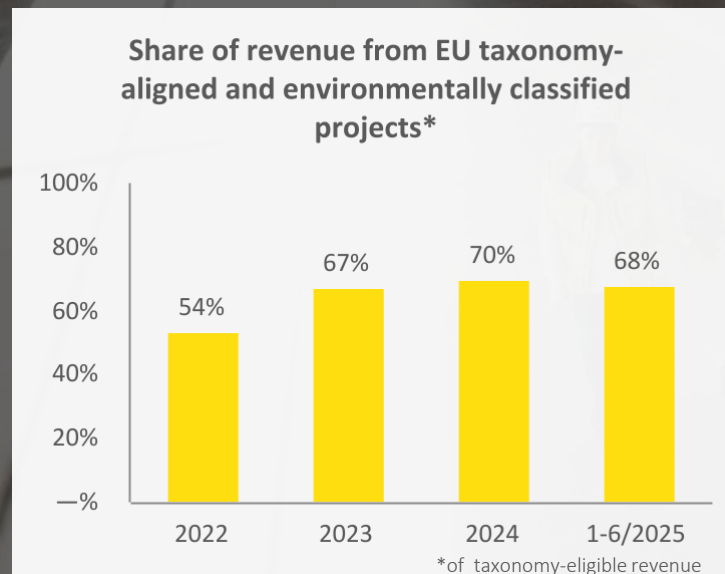
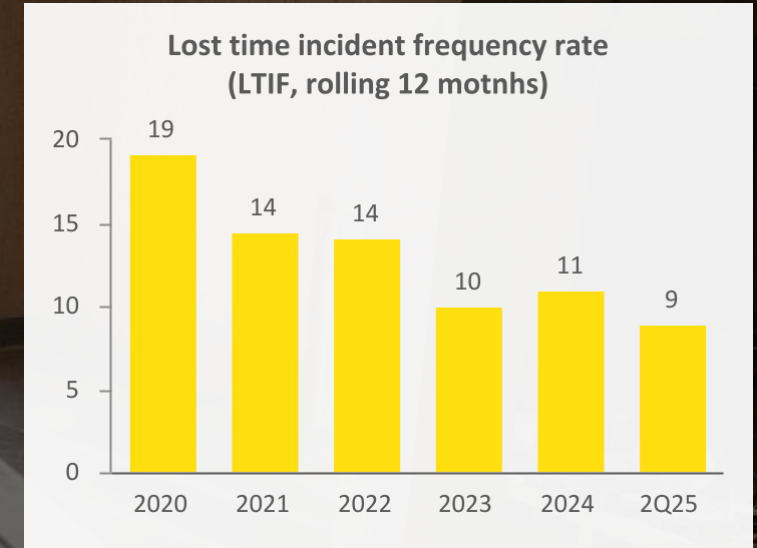
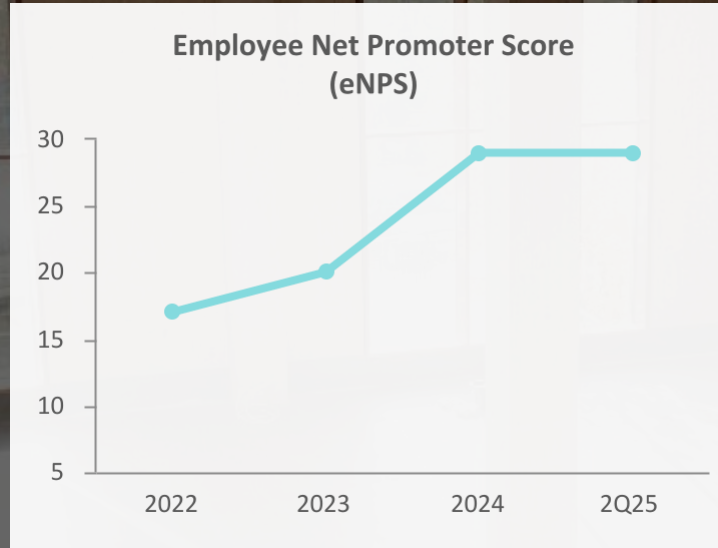
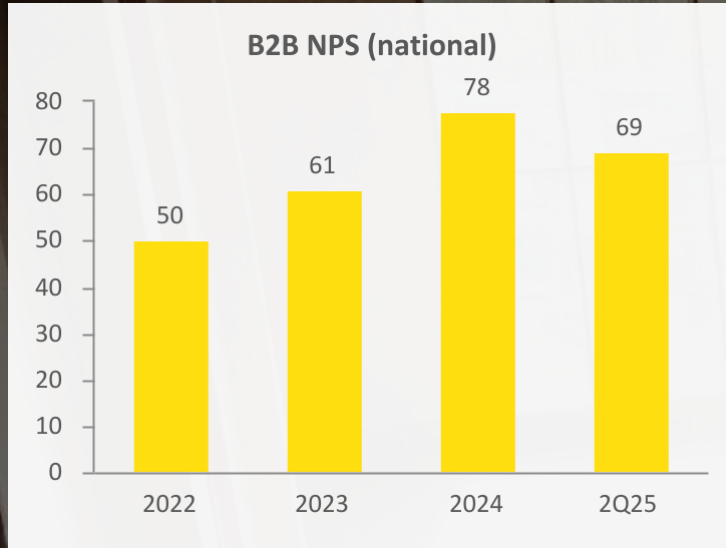


Business (self-developed projects)
approx. 500,000 floor m²

Greater Helsinki area, 202,000 floor m²
Regions, 297,000 floor m²

Total
approx. 870,000 floor m²

Strategy: ESG indicators have developed positively



1 COMPLETED PROJECTS

Horisontti, Helsinki



Area: 16,400 gross m²
Schedule: April 2023 – May 2025
Contract type: Development project

62 m€
revenue

2 KÄYNNISSÄ OLEVAT JA TULEVAT HANKKEET

Lohja's new water tower, Lohja



Area: 1,350 m³ (tank),
1,000 m³ (concrete pours)
Schedule: February 2024 – June 2025
Contract type: Turnkey contract

3 m€
revenue

Verkkosaarencatu (ATT), Helsinki



Area: 9,350 gross m²
101 apartments
Schedule: September 2023 – June 2025
Contract type: Competition contract

19 m€
revenue

1 VALMISTUNEET HANKKEET

Metsä Wood Kerto LVL mill, Äänekoski



Area: 50,000 gross m²

Schedule: June 2023 – September 2025

Contract type: Cooperative project management contract

97 m€
revenue

2 ONGOING AND UPCOMING PROJECTS

Neuvokas, Espoo



Area: 3,928 gross m²
53 asuntoa

Schedule: January 2025 – July 2026

Contract type: Developer-contracted

13 m€
revenue

Hyvinkää Arena, Hyvinkää



Area: 13,000 gross m²

Schedule: June 2025 – early 2027

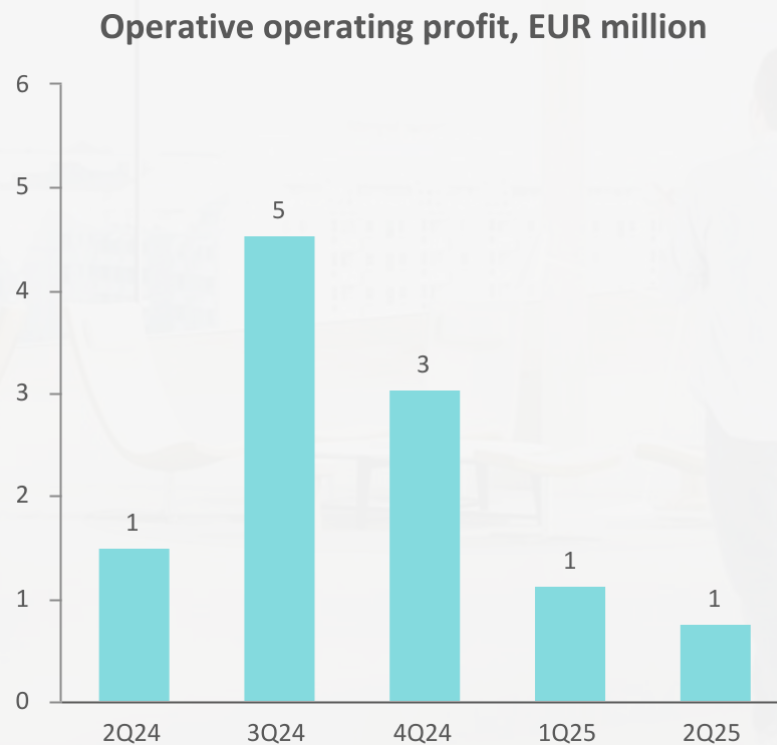
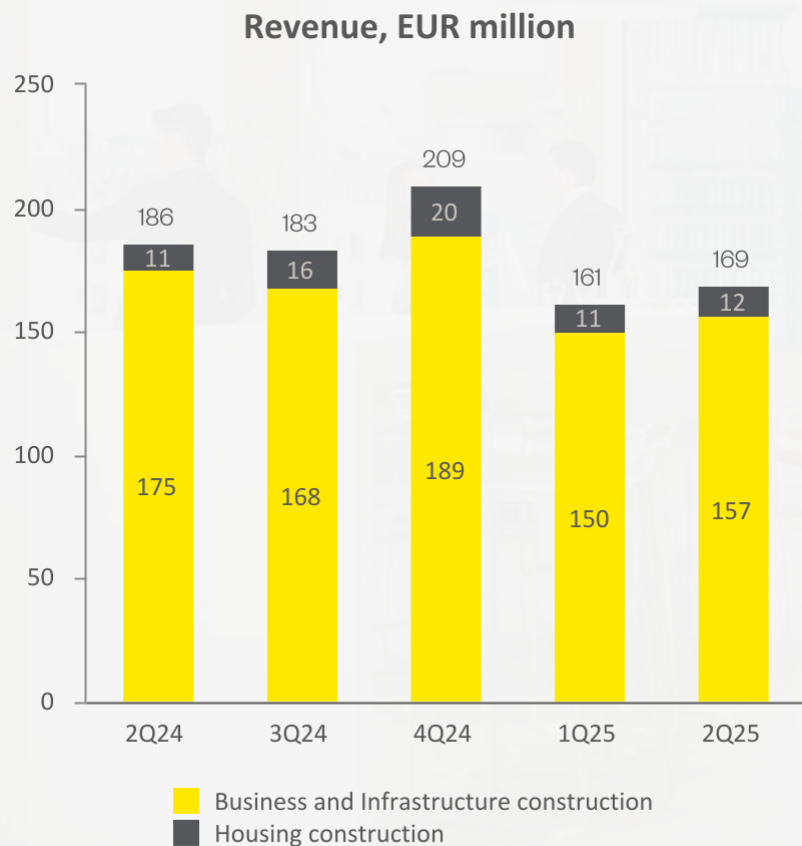
Contract type: Cooperative project management contract

38 m€
revenue

Half-year Report H1 2025



Operative operating profit decreased from the comparison period

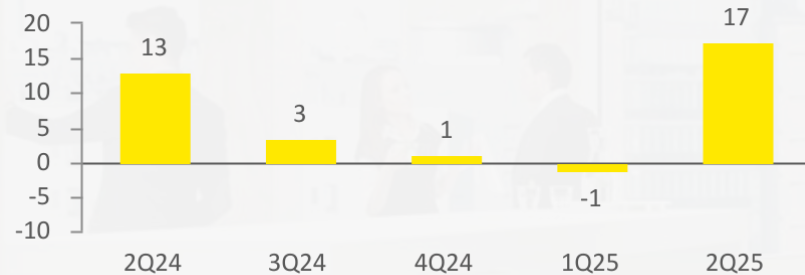


Revenue and operative operating profit were weakened especially by the low volume of development and developer-contracted projects.

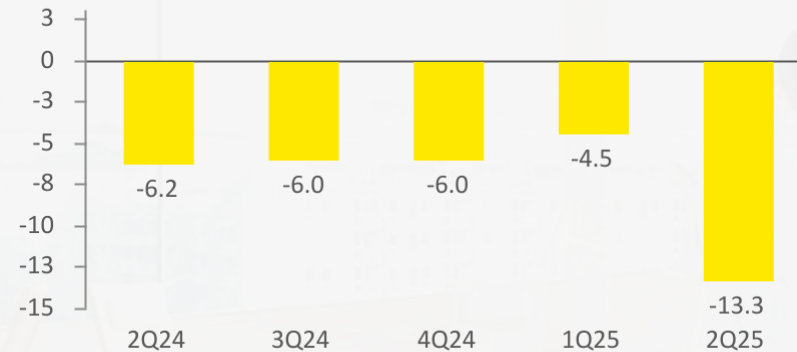
The profit margin of the infrastructure construction was better than in the comparison period.

The company's balance sheet is in good shape

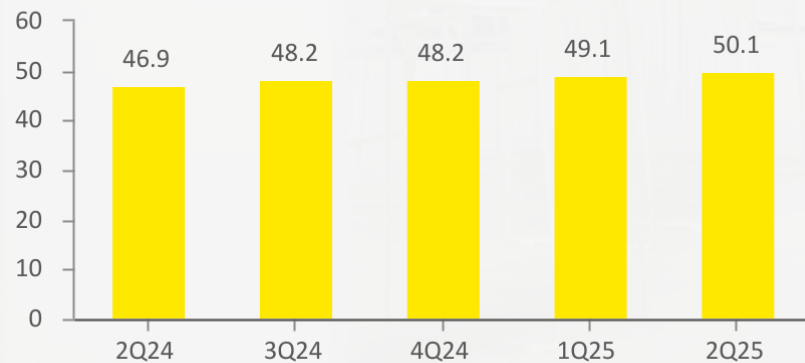
Operating cash flow after investments,
EUR million



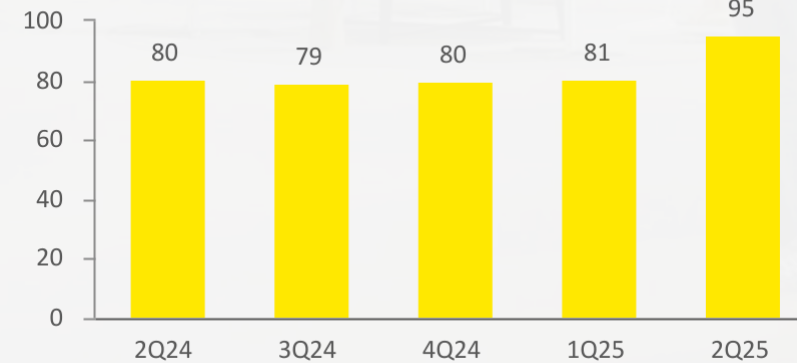
Gearing IFRS16 adjusted, %



Equity ratio, IFRS16 adjusted %



Financial reserves, EUR million

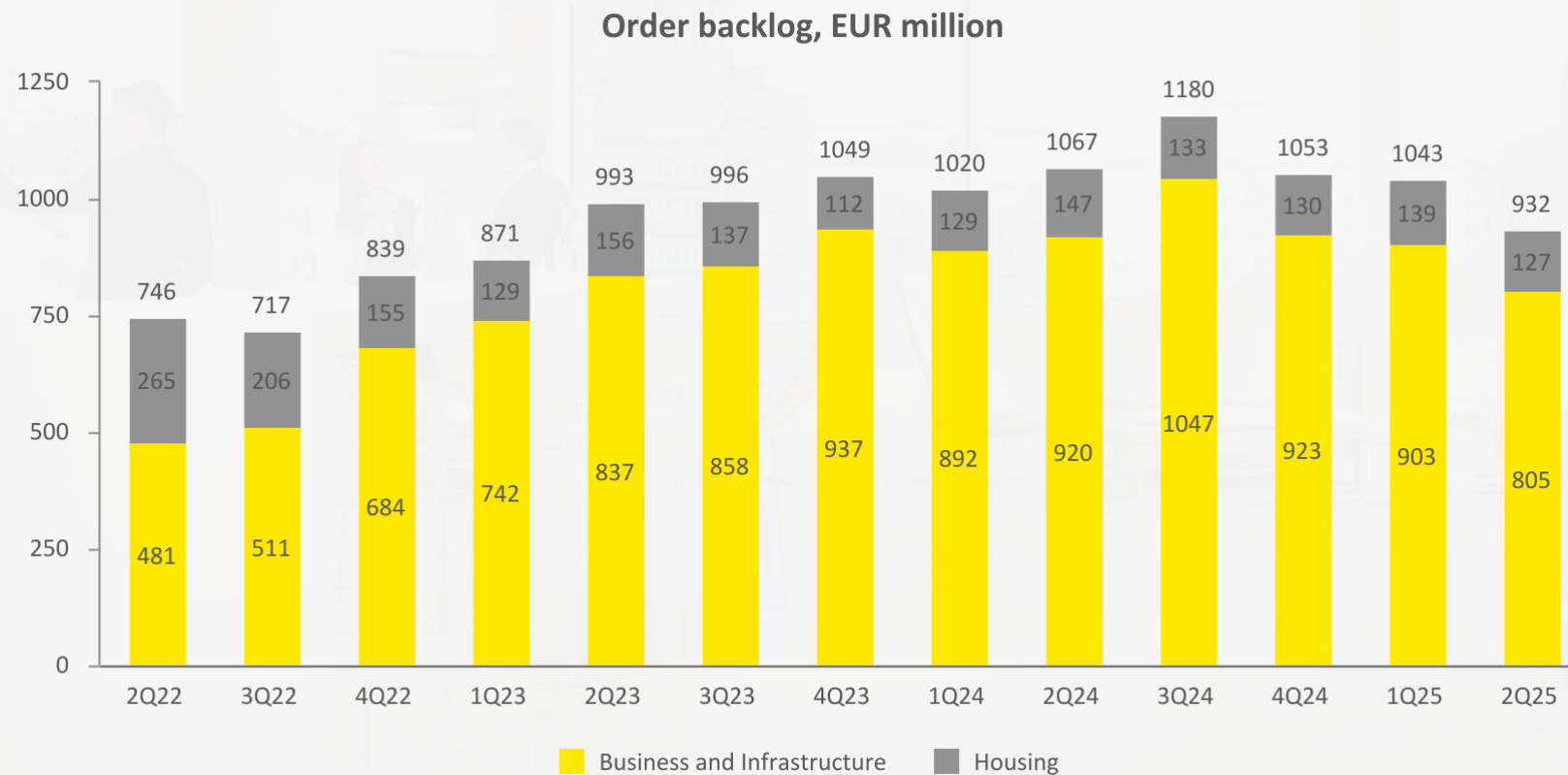


The key figures of the balance sheet are stable and at a good level.

Strong cash flow in the quarter strengthened financial reserves.

The new EUR 40 million liquidity loan will strengthen the company's liquidity for the next three years.

Order backlog contracted



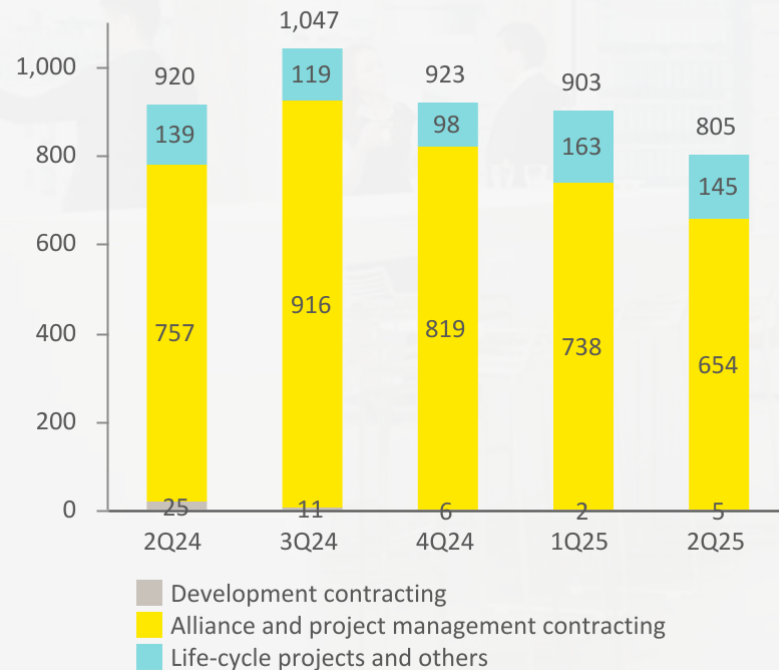
In April–June, EUR 37.7 (215.0) million of new contracts were signed.

In addition, SRV has approximately EUR 625 million in projects that have been won or tied to pre-development agreements and have not yet been recorded in the order backlog.

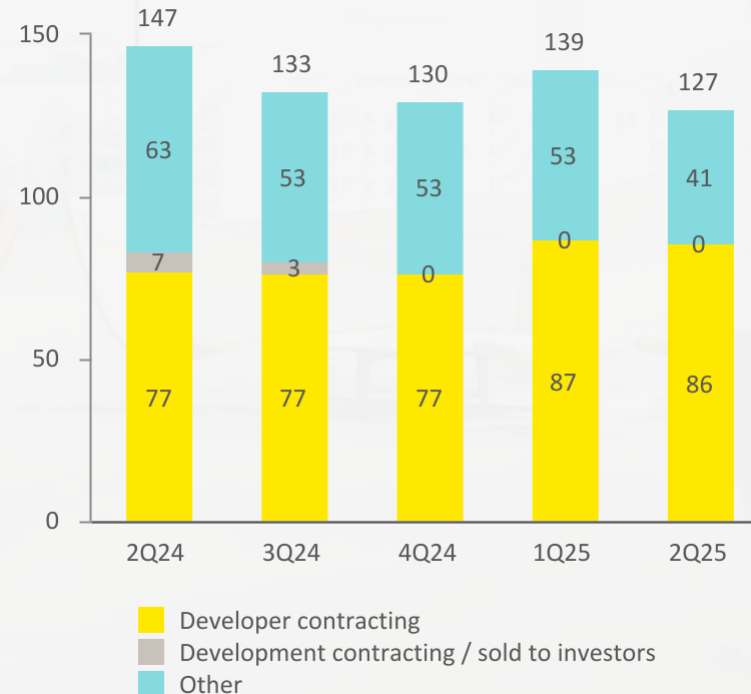
In addition, the order backlog for the service periods of life-cycle projects was EUR 105 million.

The structure of the order backlog is contract-oriented

Order backlog of the business and infrastructure construction, EUR million



Order backlog of the housing construction, EUR million

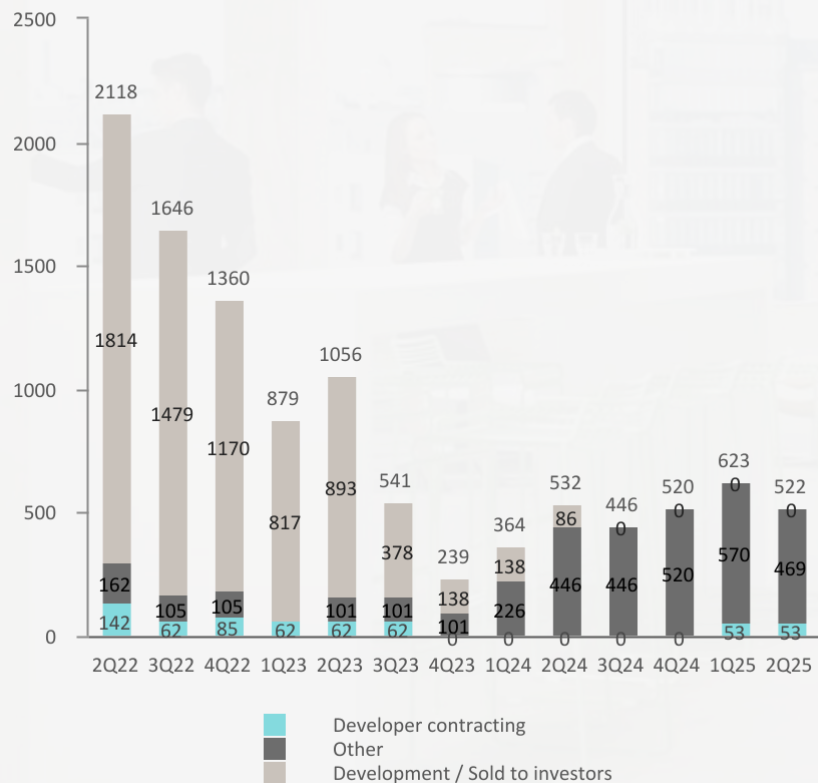


The share of project management and alliance contracting in the order backlog is still high, but decreasing compared to the comparison period.

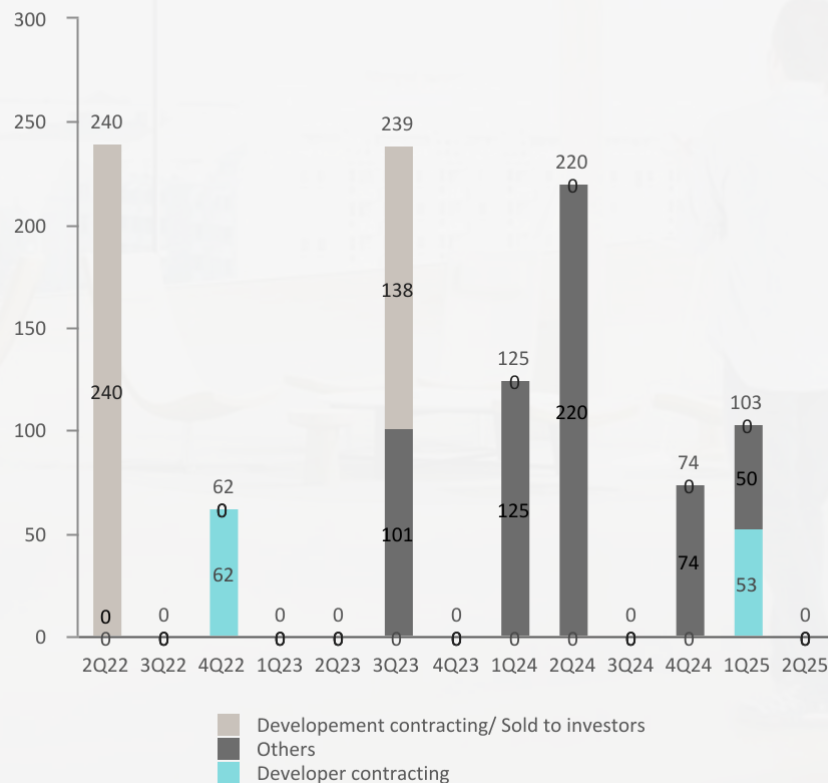
The share of projects sold to investors in the order backlog is very small.

No new housing projects were started in Q2

Apartments, under construction (pcs)



Apartments, start-ups (pcs)



Outlook 2025



OUTLOOK 2025 (SPECIFIED)

The Group's revenue for 2025 is expected to decrease compared to 2024 and to be

EUR 630-680 million

(Revenue in 2024: EUR 745.8 million)

(Previously EUR 630-710 million)

- Operative operating profit is estimated to be

positive

(Operative operating profit in 2024: EUR 10.3 million)

READY FOR PROFITABLE GROWTH

1.

The company's balance sheet is in good shape

Revenue and operative operating profit decreased from the previous year.

The order backlog contracted.

The balance sheet is in order, the financial position is strong, and the company's capital is not significantly tied up in unsold completed apartments.

2.

The market challenges

There is a lot of uncertainty related to the development of the market situation, and it is difficult to predict the timing of a major turnaround. However, there are signs of improvement.

We estimate that the change in the market will take place as consumers and investors return to the housing market when the oversupply melts and confidence is restored.

3.

Ready for profitable growth

Our excellent customer satisfaction and motivated and skilled personnel enable our growth when the market turns.

Our extensive and diverse project development base provides a strong foundation for the change in the project portfolio we are aiming for.

Our goal is to launch projects sold to consumers in Finland during this year.

SRV

