



## GRK has signed a development phase agreement concerning the Rail Baltica railway project in Estonia

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The development phase of Rail Baltica's main railway begins. GRK and Rail Baltic Estonia OÜ signed a development phase agreement on the Rail Baltica project on 16 May 2025. This is an alliance project with a preliminary value of approximately EUR 158–216 million for GRK.

The development phase refers to a planning phase that is significant for the project and during which the value of the project will also be specified in more detail. After the development phase, a separate decision will be made on the implementation phase, i.e. the start of construction. The implementation phase can be entered at once or in stages.

Rail Baltica is the Baltic countries' joint project to build a 1,000-kilometre-long railway connection with the European 1,435-mm track width through the Baltic countries from Estonia to Poland. A total of 213 kilometres of completely new main track will be constructed in Estonia, estimated to be completed in 2030.

On 13 March 2025, GRK announced that it had been selected for the largest Rail Baltica railway project to date in Estonia. On 12 March 2025, Rail Baltic Estonia OÜ announced that the OnEST Track consortium formed by GRK Eesti AS, GRK Suomi Oy, NGE Group, AS Merko Ehitus Eesti, Sweco Finland Oy and Sweco Sverige AB had won the tender for the design and construction of Rail Baltica.

In the competitive tender, the design and construction of Estonia's main track was divided into two geographical entities. The winner of the tender, i.e. the consortium formed by GRK and alliance partners, was given the task of implementing the larger entity of these, i.e. the northern main railway section between Tallinn's Ülemiste and Pärnu. Rail Baltic Estonia OÜ announced the decision on 12 March 2025. This marked the start of the appeal period for the procurement decision, during which an appeal was filed for the tender. However, it did not concern the selection of the OnEST Track alliance group. The development phase agreement for Rail Baltica's northern main track section in Estonia has now been signed, and the planning phase, which is important for the project, begins.

### Construction is expected to start in 2026

The total value of the project, including options, concerning the main track between Tallinn's Ülemiste and Pärnu is EUR 394–540 million. GRK acts as a builder in the alliance. GRK's share of the construction project is 40 per cent, so its value for GRK is approximately EUR 158–216 million.

According to the preliminary project schedule, the development phase will continue until 2026, while the implementation phase will take place from 2026 to 2030. The start of construction requires a separate decision on moving to the implementation phase. The implementation phase can be entered at once or in stages. The Rail Baltica main track project will now be recognised in GRK's order book with regard to the development phase. The part of the implementation phase will not be transferred to GRK's order backlog until the start of construction.

"The development phase is a very important phase for the project, as all plans are made at such a precise level that, for example, all costs related to construction can be calculated. Thus, the final value of the project depends on the costs of the alliance determined on the basis of the development phase and the specified scope of the contract," says GRK's CEO **Juha Toimela**.

"This project is very interesting. The project involves a lot of coordination with the already built sections of Rail Baltica, and there is a lot of various intersections along the track. The development phase has a tight schedule, and we will be making many significant solutions during it: examples of such items include the Pärnu bridge and the Rääma bog – how the construction will be carried out for Rail Baltica," says GRK's **Laura Järvinen**, who is the project manager for the entire

alliance.

## More information about Rail Baltica:

The source used is Rail Baltica's information from: <https://info.railbaltica.org/en/in-brief>

- Rail Baltica is a railway connection of a total of 870 kilometres, running from Tallinn through Estonia, Latvia and Lithuania to Poland. 213 kilometres of the railway are in Estonia.
- Rail Baltica is a completely new electrified high-speed double-track railway (one-track in Estonia for the 1st phase of construction) with ERTMS for both passenger and cargo traffic.
- Once completed, Rail Baltica will connect the Baltic countries to the rest of Europe's railway network. The maximum planned travel speed of trains is 249 kilometres per hour (passenger traffic) and 120 kilometres per hour (freight).
- Funder EU (CEF), Estonia, Latvia, Lithuania
- The new railway is designed with a track width of 1,435 mm, which corresponds to the railway width in the rest of Europe. Currently, the railways in the Baltic countries have the same track width as in Russia, i.e. 1,520 millimetres. In Finland, the track width is 1,524 millimetres.

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## About GRK Infra Oyj

GRK designs, repairs and builds roads, highways, tracks and bridges in order to make everyday life run smoothly, promote people meeting each other and to create a more sustainable future. GRK's expertise also includes environmental technology. We operate in Finland, Sweden and Estonia with approximately 1,100 professionals. GRK's core competencies include the execution of versatile infrastructure construction projects, project management of both small and large projects as well as extensive rail expertise. GRK provides services from design to construction and maintenance.

Our customers include the state administration, municipalities and cities, as well as the private sector. GRK works on several projects in alliance with other companies of the infrastructure construction sector. In addition to the parent company of the group, GRK Infra Plc, the group consists of subsidiaries in each operating country: GRK Finland Ltd in Finland, GRK Eesti AS in Estonia and GRK Sverige AB in Sweden. The parent company of the group, GRK Infra Plc, is responsible for the administration and financing of the group. The subsidiaries GRK Finland Ltd, GRK Eesti AS and GRK Sverige AB carry out the operational activities of the group.

## Attachments

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