

KREATE

Inside information, profit warning: Kreate Group's revenue estimated at EUR 300-325 million and EBITA EUR 7.0-8.5 million for 2023

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Kreate Group Plc

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Kreate Group Plc ("Kreate") is increasing its financial guidance for the financial year 2023 concerning revenue and lowering its guidance for the EBITA forecast.

Revised guidance for 2023:

Kreate estimates that its revenue (2022: EUR 273.9 million) will be EUR 300-325 million. EBITA (2022: EUR 8.8 million) is estimated to be at the level of EUR 7.0-8.5 million.

Justifications:

A strong order backlog and the planned and partly faster than expected execution of projects have increased Kreate's revenue in the first half of the year. The same trend is expected to continue in the second half of the year, leading to a higher level of revenue than previously estimated.

At the same time, the high level of inflation and wage development in the industry during the early part of the year, as well as changes in the overall construction market, have impacted profitability. In addition, contrary to previous estimates, projects without indexation terms from previous years have caused negative margin effects, thereby weakening the profitability for the year 2023. In the railway construction business, the postponement of projects initially expected to start in the early part of the year has tightened the market and had a negative impact on the estimated volume and profitability of this business.

Previous guidance for 2023 (published on 31 January 2023)

Kreate estimates that its revenue will remain at the 2022 level (2022: EUR 273.9 million) and EBITA (2022: EUR 8.8 million) will increase compared to 2022.

Justifications for previous guidance:

Kreate's high order backlog at the beginning of 2023 supports the positive development of revenue, but the general economic situation may affect the accumulation of the new order backlog during the year. In addition to the order backlog, Kreate's specialisation in demanding construction as well as the stable infrastructure construction market support EBITA growth in 2023.

Due to the silent period, Kreate will not comment on its updated guidance or publicly disclose information concerning its financial performance for the early part of the year before the publication of the half-year report. Kreate Group Plc will release its half-year report on 19 July 2023 at approximately 8:30 am. On the same day, the company will host a live webcast where it will be possible to ask questions. The live broadcast in Finnish can be followed at the following address <https://kreate.videosync.fi/2023-q2-tulosjulkistus>.

Kreate Group Plc
Board of Directors

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About Kreate Group Oyj

Kreate Group is one of the leading infrastructure construction companies in Finland. The company offers solutions for bridges, roads and railways, environmental and ground engineering, circular economy and geotechnical needs. As a

specialist in demanding projects, Kreate focuses on comprehensive quality and cost-effectiveness. The group's revenue was approximately EUR 274 million in 2022 and the company has over 450 employees. Kreate Group is listed on Nasdaq Helsinki.

Attachments

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