



Interim Report January–March 2021

Kreate Group Plc

KREATE
THE FUTURE IS BUILT TODAY

KREATE'S INTERIM REPORT: PROFITABILITY AS EXPECTED – GOOD ORDER BACKLOG

Kreate Group Plc, interim report for January–March 2021, 28 April 2021 at 8:30 a.m.

January–March in brief

- Kreate Group Plc's shares were listed on Nasdaq Helsinki, and the company received more than 18,600 new shareholders. Trading in Kreate's shares started on the pre-list of Nasdaq Helsinki Ltd on 19 February 2021 and on the stock exchange list on 23 February 2021
- Order backlog amounted to EUR 158.3 (162.3) million
- Revenue decreased to EUR 38.3 (50.0) million
- EBITDA was EUR 1.7 (2.2) million, amounting to 4.4 (4.3) per cent of revenue
- EBITA was EUR 0.9 (1.3) million, amounting to 2.3 (2.6) per cent of revenue
- The company's IPO expenses were EUR 2.3 million. Of this sum, EUR 0.9 million encumber the result before tax for the reporting period.
- Earnings per share adjusted with IPO expenses were EUR 0.07
- Earnings per share were EUR –0.04 (0.12)
- Free cash flow from operating activities was EUR 0.1 (–2.2) million
- Interest-bearing net debt was EUR 18.8 (20.9) million

Operating environment in 2021

No changes have taken place in the operating environment after the financial statements bulletin released on 31 March 2021.

In March 2021, the Confederation of Finnish Construction Industries RT's economic survey estimated that the entire construction cluster will decline by two per cent during this year. According to the recent economic survey, optimism in construction is increasing, but on the other hand, COVID-19 balanced expectations. Finland's general economic performance defines the basic level of construction in the new normal. There is clear pressure to increase the level of construction costs due to the steep rise in the global market prices of key construction materials. In 2022, construction activity is estimated to stay at the level of 2021.

The Finnish infrastructure construction market has shown stable growth historically. In 2020, the estimated market size was approximately EUR 7 billion, and it is expected to decline by 1.5 per cent in 2021. The declining outlook of infrastructure construction is affected by the weakening economic situation of municipalities outside growth centre areas, the simultaneous ending of major investment periods and the decline in infrastructure work related to building construction. Despite the short-term outlook, the long-term trend of steady infrastructure growth and small volatility is very strong.

The COVID-19 pandemic has postponed the start of certain infrastructure construction projects during 2020, which also impacted the accumulation of Kreate's order backlog for 2021. The volume of calls for tender, which normalised in the last quarter of 2020, and customer activity are reflected particularly in the growing number of calls for tender in bridge construction, which is part of structural engineering. The large future rail investments, which have received much public attention, will not yet be reflected in construction volume, but smaller rail construction projects are, however, expected in the market. On the private side, investments are now deliberated for longer than usual, and planned investments, such as changes in the uses of old buildings, are not getting fully started. In the near term, particularly urbanisation, infrastructure renovation debt and public

sector projects are expected to drive demand and strengthen Kreate's position as a builder of demanding projects.

The national traffic system plan is expected to introduce long-term thinking spanning over governments into traffic network development, which would also have a positive impact on the infrastructure construction market. The 12-year action plan included in the plan includes actions for the state and municipalities as well as a state funding programme for the traffic system. However, the growing share of construction costs borne by municipalities presents a problem in the plan and can in the worst case mean that projects are not implemented and that, for example, the condition of the road and street network and railways declines.

The supplementary budget published by the government in June 2020 contained over EUR 400 million for traffic network development projects as well as investments in the development of public transportation, infrastructure and renovation.

Despite the predicted slight decline of the total infrastructure market in 2021, Kreate estimates that both the structural engineering market and the traffic routes market will remain at least on the 2020 level.

Guidance for 2021 (unchanged)

Kreate expects that its revenue (2020: EUR 235.3 million) will decline in 2021 compared to 2020.

As at 31 December 2020, Kreate's order backlog stood at EUR 134.9 million (31 December 2019: EUR 177.2 million). Of this, around EUR 111 million is expected to be realised during 2021 (31 December 2019: EUR 130.3 million during 2020). During the last 3 years, Kreate has generated on average EUR 107 million of additional revenue during a financial year on top of order backlog at the beginning of the year. Management estimates that, as of 31 December 2020, the expected profitability of the order backlog has been on a normal level.

Key figures

EUR million	1–3/2021	1–3/2020	1–12/2020
Order backlog	158.3	162.3	134.9
Revenue	38.3	50.0	235.3
Year-on-year change in revenue, %	–23.3	73.0	6.4
EBITDA	1.7	2.2	14.0
EBITDA %	4.4	4.3	6.0
EBITA	0.9	1.3	10.5
EBITA, %	2.3	2.6	4.5
Operating profit	0.8	1.2	10.4
Operating profit, %	2.2	2.5	4.4
Result for the period	–0.3	0.9	7.8
Capital employed	56.3	58.1	54.5
Return on capital employed, %	17.4	21.5	19.2
Return on equity, %	17.6	29.4	24.7
Net investments in operating activities	–0.8	–1.0	–4.6
Free cash flow from operating activities	0.1	–2.2	9.7
Net working capital	–4.6	–0.8	–5.4
Net debt	18.8	20.9	27.9
Net debt/EBITDA	1.4	1.3	2.0
Equity ratio, %	38.2	36.8	26.3
Earnings per share, €	–0.04	0.12	0.88
Earnings per share adjusted with IPO expenses	0.07		
Personnel at the end of the period	385	407	383
Personnel on average	382	398	407

President & CEO Timo Vikström:

“Our business developed in line with the forecasts and plans in Q1. Even though our revenue decreased compared to the record-strong 2020 reference period, the order backlog for the comparable period grew well and nearly reached the level of the previous year. Our relative profitability remained at the previous year’s level and was still above the average of the infrastructure construction industry, which is seasonal in nature.

At the end of January, we announced our plans for listing our shares on the Nasdaq Helsinki stock exchange list in order to support our growth strategy and improve our competitiveness through better visibility. Our February IPO exceeded all expectations, and our company received more than 18,600 new shareholders. The IPO further strengthened our balance sheet.

At the end of the reporting period, we announced organisational changes that aim at improved competitiveness and market leadership. The infrastructure construction business is currently undergoing strong changes: collaborative forms of purchasing are becoming increasingly more common, market demand is changing, and construction is focused around railways and light rail lines. By strengthening our railway business leadership we took the next step forward with developing this business segment. The investments that we now make will benefit us in the coming years as railway and track construction will also form an important part of other future projects.

In the reporting period, we increased our focus on our employees’ competence development and occupational well-being. In addition to diverse training, we organised our personnel a physical exercise campaign and personal well-being coaching that provided opportunities for competence development and improved wellness. Our employees’ well-being and willingness for personal development play an important role for our success, as they give our team the energy to deliver high-quality construction projects and participate in innovative collaboration with our clients.

In Q1, we won and started new contracts. The most technically demanding ones of these include renovating the first metro rail bridge in Helsinki and constructing a rare lifting bridge in Parainen. The Kipparlahti metro rail bridge is a technically demanding project that takes place in a challenging site with exceptional traffic arrangements. The project for dismantling the Lillholmen lifting bridge and constructing a new one is off to a good start. What makes the project interesting is that the construction of lifting bridges is a very rare event. The demanding and interesting new projects build our team’s competence further and drive our work this year.

Through strategic organisational reinforcement and changes our company has an even stronger capability to offer and deliver all demanding and versatile infrastructure projects. In April 2021, the Finnish Government approved the National Transport System Plan for 2021–2032, which will provide stability and long-term business for the infrastructure industry. Among other things, the plan will guide road and rail investments in the long term.

This provides a good outset for focused implementation of our strategic plans and building a successful year 2021.”

Kreate Group's financial reporting in 2021

The planned publication dates for Kreate Group Plc's financial reports in 2021 are as follows:

- Half-year report for January–June 2021: 28 July 2021 and
- Interim report for January–September 2021: 27 October 2021

Kreate Group Plc's Annual General Meeting will be held on 5 May 2021.

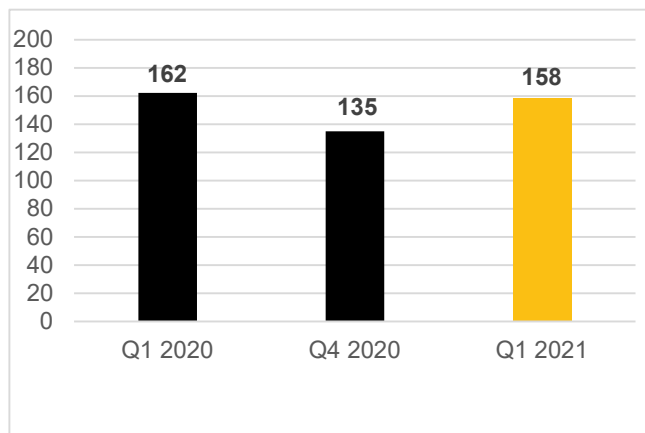
Webcast event for analysts and media

A live webcast for analysts and media will be held today 28 April 2021 at 11:00 a.m. The event will be in Finnish. President & CEO Timo Vikström and Chief Financial Officer Antti Heinola will host the event.

The webcast can be followed live in Finnish at <https://kreate.videosync.fi/2021-q1-tulosinfo>. A recording of the webcast will be made available later at kreate.fi/sijoittajille/tiedotteet-ja-raportit/raportit-ja-esitykset/ and a summary in English will become available at kreate.fi/en/investor/releases-and-reports/reports/.

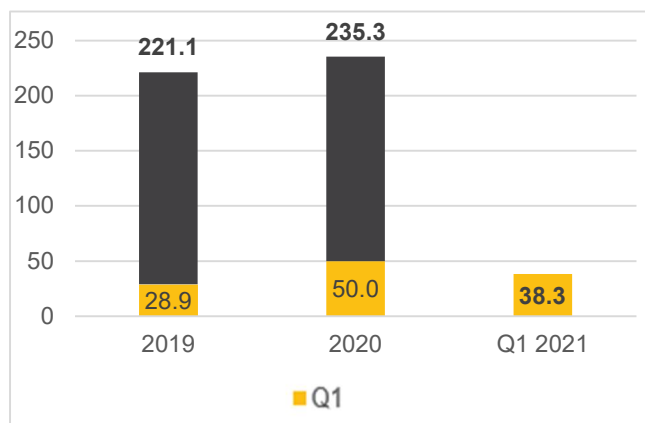
Key figures

Order backlog, EUR million



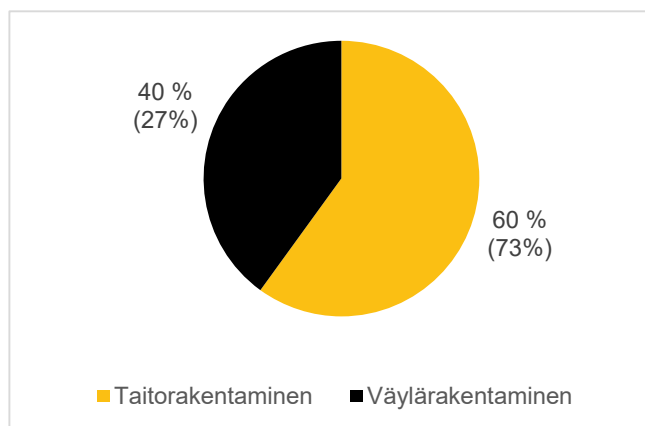
- **At the end of March 2021**, the order backlog amounted to EUR 158.3 (162.3) million
- The expected order backlog profitability was at the normal level

Revenue, EUR million

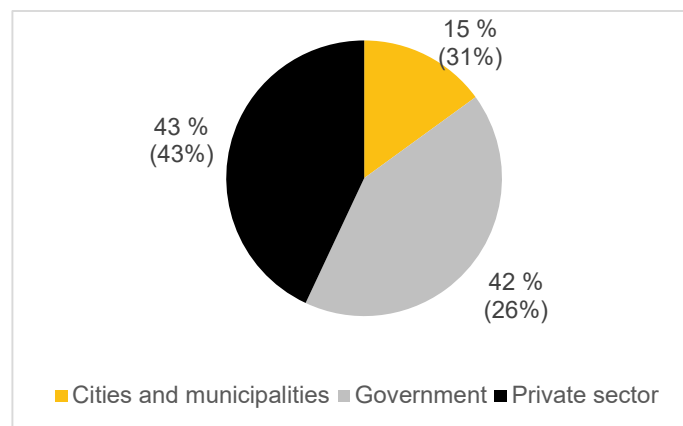


- **In January–March 2021**, revenue was EUR 38.3 (50.0) million
- Compared with the reference period, revenue grew in Transport infrastructure construction but decreased in Structural engineering construction due to the record-strong reference period
- As tendering slowed down in 2020, the number of ongoing projects in January–March 2021 was lower compared to the reference period

Revenue by business function 1–3/2021 (1–3/2020)

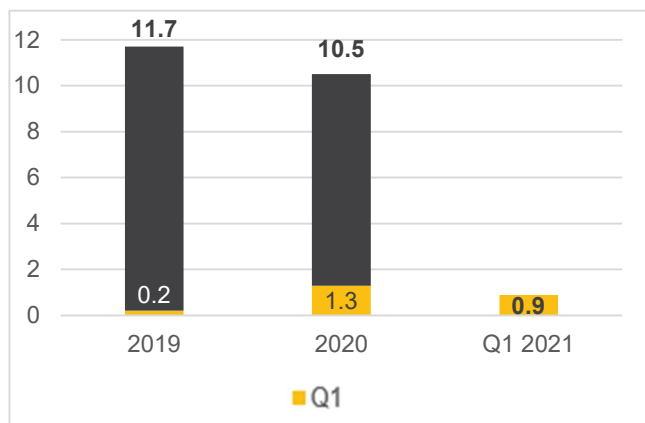


Revenue by customer group 1–3/2021 (1–3/2020)



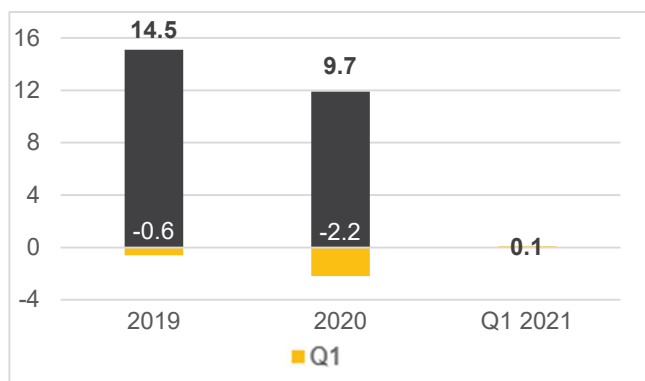
Transport infrastructure construction comprises Railway construction and Transport infrastructure construction; Structural engineering comprises Bridge construction and repair, Foundation and rock engineering and the Circular economy.

EBITA, EUR million



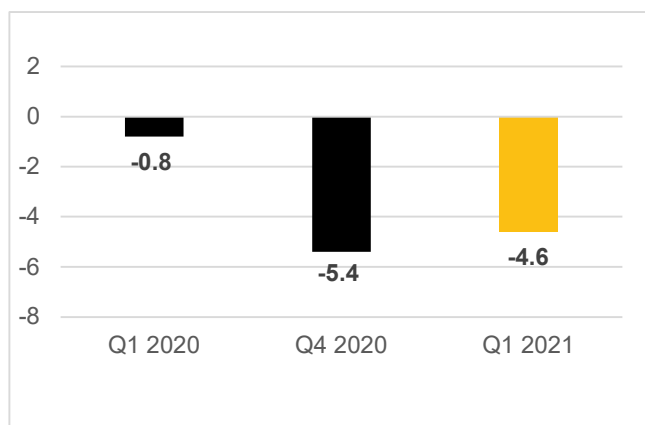
- In January–March 2021, EBITA was EUR 0.9 (1.3) million
- The Group's profitability was supported by projects progressing according to plan
- The profitability of projects remained at the normal, forecasted level

Free cash flow from operating activities, EUR million



- In January–March 2021, the free cash flow from operating activities was EUR 0.1 (–2.2) million
- In January–March, net investments in operating activities amounted to EUR 0.8 (1.0) million. Machinery and equipment purchases formed a significant part of the investments. Furthermore, the investments included some construction costs for the new warehouse building in Tuusula.

Net working capital, EUR million



- At the end of March 2021, the company's net working capital was EUR –4.6 (–0.8) million
- Net working capital remained at an excellent level with the management of project-specific working capital still being a priority in the company's operations

Kreate's interim report for January–March

Operating environment in January–March 2021

In Q1 2021, the operating environment still reflected the effects of the COVID-19 pandemic, which started in spring 2020. As tendering slowed down in 2020, the number of ongoing projects in January–March 2021 was lower than normal, but during Q1, tendering activity normalised at the previous years' level.

The differences between individual construction segments remained quite high in Q1. In bridge construction, tendering recovered faster, which also had a positive effect on Kreate's bridge construction functions. The private sector was still acting carefully, which affected the decisions of launching planned investment projects thereby impacting the foundation construction market the strongest. Similarly, significant rail investments did not progress in the reporting period.

In January–March, the competition in the market continued to increase, which posed further challenges for the companies in the industry. Kreate's strengths include, particularly, technically challenging projects that require special expertise, where the number of capable potential contractors remained lower and thus the competitive situation was moderate. Kreate's profile as a company delivering strategic, demanding, specialist infrastructure projects has provided an advantage in the current market.

Order backlog

The order backlog developed normally, considering seasonality. At the end of March 2021, the order backlog was EUR 158.3 (162.3) million and nearly reached the reference period level. The expected order backlog profitability was at the normal level.

Revenue

The Group's revenue by business function

EUR million	1–3/2021	1–3/2020	1–12/2020
Structural engineering ¹⁾	22.5	36.5	152.1
Transport infrastructure construction ²⁾	15.5	13.4	84.5
Other ³⁾	0.4	0.1	–1.2
Total	38.3	50.0	235.3

1) Includes, among others, foundation, concrete and bridge construction

2) Includes, among others, railway, road and street construction

3) Includes intra-Group eliminations

January–March 2021

The Group's revenue in January–March decreased to EUR 38.3 (50.0) million. Revenue decreased in Structural engineering to EUR 22.5 (36.5) million but grew in Transport infrastructure construction to EUR 15.5 (13.4) million.

In January–March, of the Group's total revenue 15 (31) per cent came from cities and municipalities, 42 (26) per cent from the government and 43 (43) per cent from the private sector.

Profitability

EUR million	1–3/2021	1–3/2020	1–12/2020
EBITDA	1.7	2.2	14.0
EBITDA %	4.4	4.3	6.0
EBITA	0.9	1.3	10.5
EBITA, %	2.3	2.6	4.5
Operating profit	0.8	1.2	10.4
Operating profit, %	2.2	2.5	4.4
Result for the period	–0.3	0.9	7.8
Earnings per share, €	–0.04	0.12	0.88

January–March 2021

In January–March, the Group's EBITDA was EUR 1.7 (2.2) million, amounting to 4.4 (4.3) per cent of revenue. EBITA was EUR 0.9 (1.3) million, amounting to 2.3 (2.6) per cent of revenue. The Group's operating profit was EUR 0.8 (1.2) million, amounting to 2.2 (2.5) per cent of revenue.

The Group's result before tax was EUR –0.4 (1.0) million. The result before tax is encumbered by EUR 0.9 million of IPO expenses that are listed under finance costs. Tax for the reporting period amounted to EUR –0.1 (0.1) million with the effective tax rate being 15.8 (13.9) per cent. Result for the reporting period was EUR –0.3 (0.9) million. Earnings per share were EUR –0.04 (0.12). Earnings per share adjusted with IPO expenses were EUR 0.07.

The Group's cash flow, balance sheet and financial standing

EUR million	1–3/2021	1–3/2020	1–12/2020
Free cash flow from operating activities	0.1	–2.2	9.7
Net working capital	–4.6	–0.8	–5.4

In January–March, free cash flow from operating activities was EUR 0.1 (–2.2) million. During the reporting period, net working capital grew from –5.4 million at the end of the financial year 2020 to –4.6 million and remained at an excellent level with the management of project-specific working capital still being a priority in the company's operations.

EUR million	3/2021	3/2020	12/2020
Interest-bearing debt	25.7	29.9	36.0
Cash and cash equivalents	6.9	9.0	8.1
Net debt	18.8	20.9	27.9
Equity	37.5	37.2	26.6
Equity ratio, %	38.2	36.8	26.3
Return on capital employed, %	17.4	21.5	19.2

At the end of March 2021, interest-bearing net debt was EUR 18.8 (27.9 on 31 Dec 2020) million. Interest-bearing net debt was particularly decreased by a loan repayment of EUR 10 million that the company made with proceeds from the IPO. At the end of March, the company's cash and cash equivalents amounted to EUR 6.9 (8.1 on 31 Dec 2020) million. In addition, the company had undrawn revolving overdraft and credit limits of EUR 10.0 (10.0 on 31 Dec 2020) million. Interest-bearing debt amounted to EUR 25.7 (36.0 on 31 Dec 2020) million, of which EUR 1.4 (1.5 on 31 Dec 2020) million constituted lease liabilities under IFRS 16. The average interest of interest-bearing debt, excluding lease liabilities recognised on the balance sheet, was 3.7 per cent in the reporting period. The average interest was increased by approximately 0.7 percentage points by the impact of effective interest that was transferred to the result in connection with the repayment of a loan.

At the end of the reporting period, the consolidated balance sheet total was EUR 98.0 million and equity was EUR 37.5 (26.6 on 31 Dec 2020) million. At the end of the reporting period, equity ratio was 38.2 (26.3 on 31 Dec 2020) per cent and the company's return on capital employed was 17.4 (19.2 on 31 Dec 2020) per cent. The company's equity ratio was particularly increased by the IPO that provided the company with gross proceeds of more than EUR 12.5 million. The company's IPO expenses were EUR 2.3 million, of which EUR 1.3 million were recognised directly as equity.

Investments

During Q1 2021, the company continued investing in equipment and the further improvement of equipment management. In January–March, net investments in operating activities amounted to EUR 0.8 (1.0) million. Purchases of tangible assets – mainly purchases of machinery and equipment and particularly special equipment – formed a significant part of the investments. Furthermore, the investments included some construction costs for the new warehouse building in Tuusula. Kreate's gross investments in tangible and intangible assets amounted to EUR 0.8 (1.2) million in the reporting period.

Personnel

At the end of March, Kreate Group employed 385 (407) people. The average number of personnel in January–March was 382 (398).

In Q1, the COVID-19 pandemic continued and general restrictions expanded. The company continued following strict instructions in order to ensure the well-being and health of its employees. Restrictions of outsiders' visits at projects and offices remained in place, employee breaks were staggered, effective cleaning practices were employed in break and work facilities and face masks continued to be used during close contact situations. Moreover, remote meetings and remote work was continued in the functions where this was feasible. Options for improving mental resilience have been offered throughout the pandemic. This proved to be a correct approach also during Q1, as there were no cases of COVID-19 spreading at the company's sites and the safe working conditions were maintained.

In the reporting period, the company continued to develop its personnel and provide training in order to ensure competence and improve well-being. In Q1, we started a physical exercise campaign and provided personal well-being coaching that offered our personnel opportunities for improving wellness. The campaign was set up as a team competition where the participants cheer each other on and move safely outside or through virtual means. A baseline test ensured that everyone's well-being was considered and developed individually. The training selection was also expanded with online English courses.

Performance reviews started in Q1, and the aim is to have all the Group's performance reviews completed in early Q2. Performance reviews are used for identifying employees' development needs and career aspirations as well as for ensuring the implementation of the company strategy in the everyday work.

Strategically important recruitments were continued particularly by strengthening the company's railway and bridge construction competence. At the end of the reporting period, Railway Construction received a new Vice President, whose task is to develop the company's railway business and the related organisation in order to ensure future competitiveness. In Q1, the company also carried out a new recruitment campaign in order to reach trainees in the infrastructure industry. The extensive online and in social media campaign replaced the traditional visits to schools, and it reached students and other potential jobseekers well.

During Q1, Kreate Group had one accident affecting the injury frequency rate and, at 6.3, the cumulative injury frequency rate proportional to the number of personnel was better than the industry average. During the reporting period, the further development of occupational safety continued, and the occupational safety measures and communication still focused on preventing the spread of COVID-19 at the worksites and offices.

Company management

On 31 March 2021, the company announced changes in the Management Team: Timo Leppänen was appointed Vice President, Railway Construction and a member of Kreate Group's Management Team as of 1 April 2021. Senior Vice President, Transport Infrastructure Construction Jaakko Kivi transitions to head Kreate's Technical Office and continues as a member of the Management Team. Sami Laakso was appointed Vice President, Transport Infrastructure Construction as of 1 June 2021 and a member of Kreate Group's Management Team as of 1 April 2021. Head of Kreate's Technical Office Tommi Hakanen transitions to the position of CEO at Kreate's associated company KFS Finland Oy and continues to serve as a member of the Management Team.

The current CEO of Kreate Rata Oy Juha Salminen has left the company's Management Team and continues to serve the company. Technical Director Petri Uitus concentrates on his important role in tender calculation for Transport Infrastructure Construction, and he left the Management Team. The former CEO of KFS Finland Oy Ville Niutanen continues to serve the company as project manager in the Stabilisation business.

As of 1 April 2021, Kreate's Management Team includes the following people: Timo Vikström, President & CEO; Antti Heinola, Chief Financial Officer; Tommi Hakanen, Vice President, Special Foundation Construction; Jaakko Kivi, Vice President, Technical Office (and Vice President, Transport Infrastructure Construction until 31 May 2021); Sami Laakso, Vice President, Transport Infrastructure Construction (as of 1 June 2021); Tommi Lehtola, Vice President, Foundation and Rock Engineering, and Circular Economy; Timo Leppänen, Vice President, Railway Construction; Katja Pussinen, Vice President, HR, and Sami Rantala, Vice President, Bridge Construction and Repair.

Short-term risks and risk management

Kreate Group's risk management aims at continuous and systematic identification of the most significant risk factors and their optimal management such that the company's strategic and financial targets are reached. Kreate employs a risk management policy that guides the management of the overall risk exposure. Risk management is integrated into the Group's management, monitoring and reporting systems. Risk management covers the identification and assessment of risks as well as contingency plans for all main risk categories.

The company classifies risks into strategic, operational, accident risks and financial risks.

Strategic risks

Epidemics and pandemics may have a material adverse effect on Kreate's business, the global economy and financial markets. Economic uncertainty has also impacted Kreate's private sector customers. COVID-19's impacts on the public economy may also be reflected in the reduction or postponement of planned investments.

Unfavourable economic development in Finland could impact Kreate's business in many ways, including the income, assets, liquidity, business operations and/or financial standing of Kreate as well as its customers and subcontractors. Moreover, Kreate may not necessarily be able to take advantage of the business opportunities arising from economic fluctuations or adapt its operations to a long-term economic downturn or stagnation.

Kreate's business performance is partly dependent on the overall development of the public economy and the political decision-making that guides it, as the majority of Kreate's revenue comes from public sector customers.

Kreate operates in a competitive industry, and increased competition in the infrastructure construction market could have an adverse effect on Kreate's business. Kreate finds that increased competition could lead to tougher price competition as well as competing for available employees.

Kreate's limited control in the KFS Finland joint venture could hamper Kreate's ability to get the joint venture to act in favour of Kreate and to refrain from acting against Kreate's interests.

Operational and accident risks

Kreate may fail in executing its strategy or adapting it to changes in the operating environment, or the strategy itself may be unsuccessful. Kreate may not necessarily be able to define, execute or, if necessary, adjust its business strategy successfully.

Failure to hire qualified personnel, losing key persons or the company's execution partners or subcontractors experiencing problems with resources may have an adverse effect on Kreate's ability to conduct business.

Kreate's business is highly project-based. Successful project management has a considerable impact on the profitability of Kreate's business. Unsuccessful projects and project management may, for instance, impact future project availability and, thereby, have a material adverse effect on Kreate's business.

Kreate's key information systems are related to tender calculation, project monitoring, data modelling, measurements, payroll calculation and the management of monetary transactions. Problems in the operation of the information systems that Kreate uses could have a material adverse effect on Kreate's business.

Accidents and occupational injuries are more frequent on construction sites than in many other industrial sectors. Any health and safety risk that materialises could have a material adverse effect on Kreate's business, financial standing, business result and future prospects.

Mistakes by Kreate's own employees or subcontractors could cause unexpected and unforeseen personal injuries or material damage to third parties, for example due to fires or soil compaction and the possible resulting damage to buildings. Such mistakes can result in unexpected, unforeseen and very significant additional expenses for Kreate.

Kreate is exposed to environmental risks in its operations. The most significant environmental risks are related to noise and dust nuisance and the potential release of environmentally harmful substances, especially fuels from machinery. Any risk of compensation claims or sanctions related to environmental damage that materialises could have a material adverse effect on Kreate's business, financial standing and business result.

Economic and financing risks

In its business operations, Kreate is exposed to interest rate, credit, financing, counterparty and liquidity risks that may have an adverse effect on Kreate's business and financial standing. The company strives to protect itself against liquidity and financing risks through various contractual arrangements.

On each balance sheet date, the Group considers whether there is evidence of impairment of financial assets or financial asset Groups. The need for asset impairment is assessed both individually and at the asset group level.

Possible impairments of Kreate's property, plant and equipment as well as intangible assets could have an adverse effect on Kreate's financial standing and business result.

More information on Kreate's risks is available in the company's offering circular published in February 2021, which is available at: <https://kreate.fi/en/ipo/>. More information on the company's financing risks is also available in note 3.4 to the company's Financial statements for 2020.

Shareholder meeting

By a unanimous decision of the shareholders on 25 January 2021, the company's company form was changed from private limited company to public limited company. In connection with the decision, the shareholders authorised the Board of Directors to decide on a share issue. The shares issued pursuant to the authorisation are new shares. A maximum of 2,500,000 shares may be issued under the authorisation. On 18 February 2021, Kreate's Board of Directors decided to

issue 1,529,877 new shares under this authorisation. The authorisation was valid until 31 March 2021.

In addition, shareholders decided on 25 January 2021 to authorise the Board of Directors to decide on share issues as well as the issuance of option rights and other special rights entitling to shares pursuant to Chapter 10 of the Finnish Limited Liability Companies Act. The shares issued pursuant to the authorisation are new shares or shares held by the company. A maximum of 900,000 shares may be issued under the authorisation. The share issue authorisation of the Board of Directors is valid until the end of the 2021 Annual General Meeting, but no later than 30 June 2021.

On 25 January 2021, shareholders also decided to authorise the Board of Directors to decide on a repurchase of the company's own shares.

The total maximum number of own shares to be repurchased is 900,000 shares. However, the company, together with its subsidiaries, may not own more than 10 per cent of all the shares in the company. Pursuant to the authorisation, the company's own shares can only be repurchased with unrestricted equity. The authorisation is valid until the end of the 2021 Annual General Meeting, but no later than 30 June 2021.

On 25 January 2021, it was also decided that the chair of the company's Board of Directors is to be paid a monthly fee of EUR 4,750 and members of the Board of Directors are to be paid a monthly fee of EUR 2,000 starting from 1 January 2021. In addition, it was decided that an additional fee of EUR 1,500 is paid to each member of the Board of Directors elected as the chair or member of the Audit Committee or Remuneration and Nomination Committee for a period of one year following the election.

Shares and trading

Initial public offering

On 25 January 2021, Kreate announced that it was planning an initial public offering (IPO) and listing of its shares on the stock exchange list of Nasdaq Helsinki Ltd. The IPO started on 8 February 2021; the public and personnel offering ended on 15 February 2021 and the institutional offering ended on 17 February 2021.

The share subscription price was EUR 8.20 per share in the institutional and public offering and EUR 7.38 per share in the personnel offering, corresponding to a market value of approximately EUR 72.9 million for Kreate immediately after the IPO.

Demand from Finnish and international investors was strong, and the IPO was oversubscribed many times over. In the public offering, subscriptions were received from more than 18,600 investors. Trading in Kreate's shares started on the pre-list of Nasdaq Helsinki Ltd on 19 February 2021 and on the stock exchange list on 23 February 2021.

Kreate accumulated approximately EUR 12.5 million in gross proceeds from the IPO and the sellers (Intera Fund II Ky and certain other current shareholders of Kreate) received approximately EUR 27.2 million in gross proceeds. The number of Kreate's outstanding shares increased to 8,894,772 shares and the total number of shares (including treasury shares held by Kreate) increased to 8,984,772 shares.

Trading in the company's shares

Kreate Group Plc's share capital at the end of March was EUR 80,000. The total number of outstanding shares in the company on 31 March 2021 was 8,984,772 shares, of which the company held 90,000 shares as treasury shares.

5,540,097 of Kreate's shares were traded on the Helsinki Stock Exchange in Q1. The highest trading price was EUR 12.50 and the lowest price was EUR 9.90. The volume weighted average price of Kreate's shares in Q1 was EUR 8.91 taking into account the subscription price of EUR 8.20.

The share's closing price on the last trading day of the reporting period, 31 March 2021, was EUR 10.30. Based on the closing price of the reporting period, the market value of the company's shares, excluding the treasury shares held by the company, was EUR 92.5 million.

Events after the reporting period

No relevant events have occurred after the reporting period.

Tuusula, 28 April 2021

Kreate Group Plc

Board of Directors

NOTES

Calculation formulas for key figures

Tables for the January–March 2021 Interim Report

Key figures by quarter

EUR million	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20	Q4/19	Q3/19	Q2/19	Q1/19
Order backlog	158.3	134.9	149.0	144.4	162.3	177.2	204.1	198.2	133.3
Revenue	38.3	62.0	65.4	58.0	50.0	72.1	68.5	51.7	28.9
Change in revenue, %	–38.1	–5.2	12.7	16.1	–30.7	5.3	32.5	78.8	–47.5
EBITDA	1.7	3.1	4.9	3.9	2.2	5.6	5.2	3.2	1.0
EBITDA %	4.4	5.0	7.5	6.7	4.3	7.7	7.6	6.1	3.4
EBITA	0.9	2.3	4.0	3.0	1.3	4.6	4.4	2.4	0.2
EBITA, %	2.3	3.8	6.1	5.1	2.6	6.4	6.4	4.7	0.8
Operating profit	0.8	2.3	3.9	2.9	1.2	4.6	4.3	2.4	0.2
Operating profit, %	2.2	3.7	6.0	5.0	2.5	6.3	6.3	4.6	0.8
Result for the period	–0.3	1.8	3.0	2.1	0.9	3.9	3.5	1.6	–0.2
Capital employed	56.3	54.5	58.8	57.7	58.1	53.6	60.8	63.0	58.7
Return on capital employed, %	17.4	19.2	21.1	21.6	21.5	20.7	16.2	15.8	14.7
Return on equity, %	17.6	24.7	25.3	29.0	29.4	26.3	27.6	28.9	23.9
Net investments in operating activities	–0.8	–1.7	–0.8	–1.0	–1.0	–1.2	–1.5	–1.1	–1.2
Free cash flow from operating activities	0.1	7.2	2.2	2.5	–2.2	12.4	5.0	–2.2	–0.6
Net working capital	–4.6	–5.4	1.0	–1.0	–0.8	–4.0	3.6	5.3	1.5
Net debt	18.8	27.9	16.5	18.4	20.9	17.3	25.7	31.4	28.9
Net debt/EBITDA	1.4	2.0	1.0	1.1	1.3	1.2	2.0	2.5	2.6
Equity ratio, %	38.2	26.3	38.7	35.8	36.8	34.5	33.6	31.1	34.3
Earnings per share, €	–0.04	0.07	0.41	0.28	0.12	0.33	0.48	0.22	–0.03
Earnings per share adjusted with IPO expenses, €	0.07								
Personnel at the end of the period	385	383	404	441	407	395	391	396	343
Personnel on average	382	390	414	427	398	394	389	380	341

Additional information on alternative performance measures

EUR million	1–3/2021	1–3/2021	1–12/2020
Outstanding shares on average (1,000 pcs)	8,062	7,365	7,365
Amortisations from intangible assets	0.0	0.0	–0.2
Depreciations	-	-	-
Prepayments received	-	-	-
IPO expenses listed under finance costs	0.9		

EUR million	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20	Q4/19	Q3/19	Q2/19	Q1/19
Outstanding shares on average (1,000 pcs)	8,062	7,365	7,365	7,365	7,365	7,344	7,335	7,301	7,297
Amortisations from intangible assets	0.0	0.0	0.0	–0.1	0.0	0.0	–0.1	0.0	0.0
Depreciations	-	-	-	-	-	-	-	-	-
Prepayments received	-	-	-	-	-	-	-	-	-
IPO expenses listed under finance costs	0.9								

Calculation formulas for key figures

Kreate publishes alternative performance measures to describe the profitability of its business and the financial standing of the Group. The alternative performance measures are not defined or specified in IFRS and they should not be viewed in isolation or as a substitute to the IFRS-compliant key figures. The calculation formulas for the alternative performance measures are presented below.

PERFORMANCE MEASURE	CALCULATION FORMULA
IFRS-compliant key figures	
Earnings per share	$\frac{\text{Result for the period attributable to the owners of the parent – interest and expenses of the equity loan recorded on the period adjusted with tax impact}}{\text{Weighted average number of outstanding shares during the period}}$
Alternative performance measures	
EBITDA	Operating profit + depreciation, amortisation and impairment
EBITA	Operating profit + amortisation of intangible assets + impairments
Order backlog	Amount of unrecognised revenue from customer contracts at the end of period
Capital employed	Equity + net debt
Return on capital employed	$\frac{\text{Operating profit, rolling 12 months}}{\text{Average capital employed}} \times 100$
Return on equity, %	$\frac{\text{Result for the period, rolling 12 months}}{\text{Average equity}} \times 100$
Net investments in operating activities	Investments in tangible and intangible assets – disposals of tangible and intangible assets
Free cash flow from operating activities	Cash flow from operations before financial items and taxes + net investments in operating activities
Net working capital	Inventories + (current trade and other receivables – loan receivables – interest receivables) – (current trade and other payables – interest liabilities)
Net debt	Interest-bearing debt – cash and cash equivalents
Net debt/EBITDA	$\frac{\text{Net debt}}{\text{EBITDA, rolling 12 months}}$
Equity ratio, %	$\frac{\text{Equity}}{(\text{Balance sheet total} - \text{prepayments received})} \times 100$

Interim Report for January–March 2021: Table section

Consolidated statement of comprehensive income

EUR million	1–3/2021	1–3/2020	1–12/2020
Revenue	38.3	50.0	235.3
Other operating income	0.0	0.1	0.3
Materials and services	–27.4	–38.0	–180.6
Employee benefit expenses	–6.6	–7.7	–32.3
Other operating expenses	–2.6	–2.5	–9.8
Share of joint venture's profit	–0.1	0.3	1.2
Depreciation, amortisation and impairment	–0.9	–0.9	–3.7
Operating profit	0.8	1.2	10.4
Financial income	0.0	0.0	0.1
Financial expenses	–1.2	–0.2	–1.2
Financial income and expenses	–1.2	–0.2	–1.1
Result before taxes	–0.4	1.0	9.3
Income taxes	0.1	–0.1	–1.5
Result for the period	–0.3	0.9	7.8
Comprehensive income for the period	–0.3	0.9	7.8
Profit attributable to:			
Shareholders of parent	–0.3	0.9	7.8
Earnings per share calculated from the income attributable to shareholders of the parent			
Undiluted, €	–0.04	0.12	0.88
Diluted, €	–0.04	0.12	0.88

Consolidated balance sheet

EUR million	3/2021	12/2020	3/2020
ASSETS			
Non-current assets			
Intangible assets	1.0	1.0	1.0
Goodwill	35.6	35.6	35.6
Property, plant and equipment	15.8	15.8	14.4
Right-of-use assets	1.4	1.5	1.6
Investments in joint ventures	8.3	8.4	7.9
Other receivables	0.3	0.1	0.4
Deferred tax assets	0.5	0.5	0.2
Total non-current assets	62.7	62.7	61.1
Current assets			
Inventories			
Trade and other receivables	27.7	30.4	30.5
Income tax receivables	0.8	0.1	0.6
Cash and cash equivalents	6.9	8.1	9.0
Total current assets	35.3	38.6	40.1
Total assets	98.0	101.3	101.1
EQUITY			
Share capital	0.1	0.0	0.0
Reserve for invested unrestricted equity	19.4	8.3	8.3
Equity loan			16.2
Retained earnings	18.0	18.3	12.7
Total equity	37.5	26.6	37.2
LIABILITIES			
Non-current liabilities			
Interest-bearing debt	23.8	30.4	24.5
Deferred tax liabilities	0.8	0.7	0.6
Total non-current liabilities	24.6	31.1	25.1
Current liabilities			
Interest-bearing debt	1.8	5.6	5.4
Trade payables and other liabilities	32.4	35.8	31.5
Income tax liabilities	0.2	0.7	0.3
Provisions	1.5	1.5	1.7
Total current liabilities	35.9	43.6	38.8
Total liabilities	60.6	74.7	63.9
Total equity and liabilities	98.0	101.3	101.1

Consolidated cash flow statement

EUR million	1–3/2021	1–3/2020	1–12/2020
Result for the period	–0.3	0.9	7.8
Depreciation, amortisation and impairment	0.9	0.9	3.7
Financial income and expenses	1.2	0.2	1.1
Income taxes	–0.1	0.1	1.5
Other adjustments	0.1	–0.3	–1.3
Total adjustments	2.1	1.0	4.9
Change in trade and other receivables	2.6	1.6	1.9
Change in inventories		0.0	0.0
Change in trade and other payables	–3.5	–4.9	–0.4
Change in provisions	0.0	0.3	0.0
Total change in working capital	–0.9	–3.0	1.6
Cash flow from operations before financial items and taxes	0.9	–1.2	14.3
Interest paid in operating activities	0.0	0.0	0.0
Interest received in operating activities	0.0	0.0	0.0
Other financial items	–1.0	–0.1	–0.3
Dividends received			0.5
Taxes paid	–1.1	–1.1	–1.3
CASH FLOW FROM OPERATIONS	–1.2	–2.3	13.2
Investments in tangible and intangible assets	–0.8	–1.2	–5.1
Disposals of tangible and intangible assets	0.0	0.1	0.5
Repayment of loan receivables			
CASH FLOW FROM INVESTING ACTIVITIES	–0.8	–1.0	–4.6
Equity investments	11.2		
Repayment of equity loan			–16.2
Drawdown of non-current loans			33.9
Repayment of non-current loans	–6.3		
Repayment of current loans	–4.0	–0.1	–28.0
Repayment of lease liabilities	–0.2	–0.2	–0.7
Interest and other loan expenses	–0.1	0.0	–2.1
CASH FLOW FROM FINANCING ACTIVITIES	0.7	–0.3	–13.1
CHANGE IN CASH AND CASH EQUIVALENTS	–1.3	–3.7	–4.5
Cash and cash equivalents on the opening balance sheet	8.1	12.7	12.7
Change in cash and cash equivalents	–1.3	–3.7	–4.5
Cash and cash equivalents at the end of the period	6.9	9.0	8.1

Consolidated statement of changes in equity

	Share capital	Reserve for invested unrestricted equity	Equity loan	Retained earnings	Total equity
EUR million					
Equity as at 1 January 2020	0.0	8.3	16.2	11.9	36.4
Items of comprehensive income					
Result for the period				0.9	0.9
Total comprehensive income attributable to the owners of the parent				0.9	0.9
Transactions with the owners					
Equity loan					
Interest on equity loan					
Total transactions with the owners					
Equity as at 31 March 2020	0.0	8.3	16.2	12.7	37.2

	Share capital	Reserve for invested unrestricted equity	Equity loan	Retained earnings	Total equity
EUR million					
Equity as at 1 January 2021	0.0	8.3		18.3	26.6
Increase in share capital	0.1	–0.1			
Items of comprehensive income					
Result for the period				–0.3	–0.3
Total comprehensive income attributable to the owners of the parent				–0.3	–0.3
Transactions with the owners					
Share issue *		11.2			11.2
Equity loan					
Interest on equity loan					
Total transactions with the owners		11.2		0.0	11.2
Equity as at 31 March 2021	0.1	19.4		18.0	37.5

^{*)} The gross proceeds from the share issue amounted to EUR 12.5 million. EUR 1.3 million in IPO fees have been recognised in the reserve for invested unrestricted equity

	Share capital	Reserve for invested unrestricted equity	Equity loan	Retained earnings	Total equity
EUR million					
Equity as at 1 January 2020	0.0	8.3	16.2	11.9	36.4
Items of comprehensive income					
Result for the period				7.8	7.8
Total comprehensive income attributable to the owners of the parent				7.8	7.8
Transactions with the owners					
Equity loan			–16.2		–16.2
Interest on equity loan				–1.3	–1.3
Total transactions with the owners			–16.2	–1.3	–17.5
Equity as at 31 December 2020	0.0	8.3		18.3	26.6

Notes

Key accounting principles and basis for preparation

The Group's Interim Report has been prepared in accordance with the IAS 34 Interim Reports standard. The Interim Report should be read together with Kreate Group's consolidated financial statements for the financial year 2020.

The figures in the Interim Report have not been audited.

The Interim Report has been prepared in euros and presented in millions of euros unless stated otherwise. The figures have been rounded to the nearest million with one decimal place and, therefore, the sums of individual figures may differ from the presented total amounts.

The Interim Report has been prepared in accordance with the key accounting principles presented in Kreate Group's consolidated financial statements for the financial year 2020, except for the revised IFRS standards that came into effect on 1 January 2021. The revised standards did not have an impact on the consolidated financial statements.

The preparation of an interim report according to the IFRS requires the management's discretion as well as using estimates and assumptions that affect the amount of assets and liabilities and the amount of income and expenses reported for the reporting period. Such estimates and assumptions by the management are based on previous experience and other justified factors.

Kreate Group has applied estimates and discretion in factors that create a significant risk of changes in the carrying amounts of assets and liabilities:

- Recognition of income from projects: The Group recognises sales income from project contracts over time. Recognition of sales income is based on the management's estimates on the sales income and expenses of projects as well as a comprehensive estimate of the progress and degree of completion of projects. The management estimates the probability of the income when determining the sales proceeds. Should estimates on a project's outcome change, the revenue recognition is adjusted in the reporting period when the change first became known.
- Recognition of provisions: At the end of the reporting period, the Group estimates if it has a probable payment obligation, whether legal or constructive, in the future. The Group recognises a provision for warranty upon the delivery of projects including a warranty obligation. The amount of the provision for a warranty is based on the Group management's historical information on the number of realised warranty provisions and their timing.
- Testing of goodwill for impairment: The Group has one cash-generating unit, Kreate Group, and it is the lowest level where goodwill is monitored. The Group carries out an impairment test annually, or if signs of impairment are detected. The group has not detected signs of impairment in the reporting period.
- Leases: The management assesses the use of extension, termination or purchase options related to leases and the lease term of leases valid until further notice. In addition, the management estimates the amount of discount rate for each right-of-use asset.
- Recognition of deferred tax assets: Deferred tax assets from the confirmed losses of the previous financial periods or undeducted interest liabilities of associated companies are recognised only if the management estimates that a sufficient amount of taxable income can be generated in the future against which the unused taxation losses and undeducted interest liabilities of associated companies can be utilised.

Initial public offering

During the reporting period, Kreate Group Plc's shares were listed on the stock exchange list of Nasdaq Helsinki Ltd. The IPO comprised a share issue and the sale of shares. Due to the IPO, the number of the company's outstanding shares increased to 8,894,772 shares and the total number of shares (including treasury shares held by the company) increased to 8,984,772 shares. Kreate accumulated approximately EUR 12.5 million in gross proceeds from the IPO. The company's IPO expenses were EUR 2.3 million, of which EUR 1.3 million were recognised directly as equity.

COVID-19 pandemic

In Q1 2021, the operating environment still reflected the effects of the COVID-19 pandemic, which started in spring 2020. As tendering slowed down in 2020, the number of ongoing projects in January–March 2021 was lower than normal, but during Q1, tendering activity normalised at the previous years' level.

Segments

The company has one operating segment: Infrastructure Construction. The segment's business operations mainly consist of infrastructure construction projects. The Group's highest decision-makers, i.e. the Board of Directors and the President & CEO, monitor the entire Group together and verify that the figures for the segment match the Group's figures.

Revenue from customer contracts

Infrastructure construction projects make up a significant part of Kreate Group's revenue from contracts with customers. More than 90% of the Group's revenue is generated in Finland.

The Group's revenue is allocated between business functions as follows:

EUR million	1–3/2021	1–3/2020	1–12/2020
Structural engineering ¹⁾	22.5	36.5	152.1
Transport infrastructure construction ²⁾	15.5	13.4	84.5
Other ³⁾	0.4	0.1	–1.2
Total	38.3	50.0	235.3

¹⁾ Includes, among others, rock engineering, foundation, concrete and bridge construction

²⁾ Includes, among others, railway, road and street construction

³⁾ Includes intra-Group eliminations

The Group's revenue is allocated between customer groups as follows:

	1–3/2021	1–3/2020	1–12/2020
Cities and municipalities	15 %	31 %	29 %
Government	42 %	26 %	36 %
Private sector	43 %	43 %	35 %

The seasonality of the infrastructure projects delivered by the company has an impact on the timing of the company's result and cash flows.

Working capital

EUR million	3/2021	12/2020	3/2020
Inventories			
Trade receivables	15.2	18.9	18.2
Assets based on contracts with customers	12.4	11.2	12.2
Loan receivables	0.0	0.0	0.0
Other receivables	0.0	0.2	0.0
Accrued income	0.0	0.0	0.0
Total trade and other receivables	27.7	30.4	30.5
Accrued personnel costs	0.0	0.0	0.0
Other accrued income	0.0	0.0	0.0
Total accrued income	0.0	0.0	0.0
Trade payables	7.5	9.0	8.4
Liabilities based on contracts with customers	9.7	11.0	11.0
Other liabilities	2.6	3.4	0.7
Accrued liabilities	12.5	12.3	11.4
Total trade payables and other liabilities	32.4	35.8	31.5
Interest liabilities	0.1	0.0	0.2
Accrued personnel costs	10.5	10.5	9.6
Other accrued liabilities	1.9	1.8	1.6
Total accrued liabilities	12.5	12.3	11.4

Financial assets and liabilities

EUR million	31 March 2021	Carrying amount	Fair value
Financial assets measured at amortised cost			
Receivables		0.3	0.3
Non-current financial assets		0.3	0.3
Trade and other receivables		15.2	15.2
Current financial assets		15.2	15.2
Cash and cash equivalents		6.9	6.9
Total financial assets		22.3	22.3
Financial liabilities measured at amortised cost			
Loans from financial institutions		23.0	23.3
Hire purchase liabilities		0.1	0.1
Lease liabilities		0.7	
Non-current interest-bearing liabilities		23.8	
Loans from financial institutions		1.0	1.0
Hire purchase liabilities		0.2	0.2
Lease liabilities		0.6	
Current interest-bearing liabilities		1.8	
Trade payables and other liabilities		10.1	10.1
Other current financial liabilities		10.1	10.1
Total financial liabilities		35.8	

EUR million	31 December 2020	Carrying amount	Fair value
Financial assets measured at amortised cost			
Non-current receivables		0.1	0.1
Non-current financial assets		0.1	0.1
Trade and other receivables		19.1	19.1
Current financial assets		19.1	19.1
Cash and cash equivalents		8.1	8.1
Total financial assets		27.4	27.4
Financial liabilities measured at amortised cost			
Loans from financial institutions		29.3	29.6
Hire purchase liabilities		0.3	0.3
Lease liabilities		0.9	
Non-current interest-bearing liabilities		30.4	
Loans from financial institutions		4.7	4.7
Hire purchase liabilities		0.3	0.3
Lease liabilities		0.6	
Current interest-bearing liabilities		5.6	
Trade payables and other liabilities		12.4	12.4
Other current financial liabilities		12.4	12.4
Total financial liabilities		48.4	

Loans from financial institutions are classified to hierarchy level 2 of the fair value classification. The carrying amount of short-term trade receivables and liabilities is assumed to be the same as their fair value due to their nature.

The Group has only had financial assets and liabilities measured at amortised cost for the financial years 2021 and 2020.

Changes in tangible assets

EUR million	3/2021	12/2020	3/2020
Acquisition cost as at 1 January	23.2	21.0	21.0
Increases	0.7	4.9	1.1
Decreases		–3.3	–0.4
Acquisition cost at the end of the period	23.9	22.6	21.8
Accrued depreciation, amortisation and impairment as at 1 January	–7.5	–6.9	–6.9
Accrued amortisation on the decreases		2.9	0.2
Amortisation for the period	–0.6	–2.8	–0.7
Accrued depreciation, amortisation and impairment at the end of the period	–8.1	–6.8	–7.4
Carrying amount at the end of the period	15.8	15.8	14.4

Changes in right-of-use assets

EUR million	3/2021	12/2020	3/2020
Acquisition cost as at 1 January	2.9	2.5	2.5
Increases	0.1	0.6	0.2
Decreases	0.0	–0.2	–0.1
Acquisition cost at the end of the period	2.9	2.9	2.6
Accrued depreciation, amortisation and impairment as at 1 January	–1.4	–0.9	–0.9
Accrued amortisation on the decreases	0.0	0.2	0.0
Amortisation for the period	–0.2	–0.7	–0.2
Accrued depreciation, amortisation and impairment at the end of the period	–1.5	–1.4	–1.0
Carrying amount at the end of the period	1.4	1.5	1.6

Changes in intangible assets

EUR million	3/2021	12/2020	3/2020
Acquisition cost as at 1 January	5.1	5.3	5.3
Increases	0.1	0.2	0.1
Decreases		–0.4	0.0
Acquisition cost at the end of the period	5.2	5.1	5.4
Accrued depreciation, amortisation and impairment as at 1 January	–4.2	–4.4	–4.4
Accrued amortisation on the decreases		0.4	0.0
Amortisation for the period	0.0	–0.2	0.0
Accrued depreciation, amortisation and impairment at the end of the period	–4.2	–4.2	–4.4
Carrying amount at the end of the period	1.0	1.0	1.0

Collateral and contingent liabilities

EUR million	3/2021	12/2020
<u>Mortgages and shares given as collateral for loans from financial institutions</u>		
Book value of pledged shares	-	52.0
Given real estate mortgages	-	5.0
Floating charges given	-	75.4
<u>Other contingent liabilities</u>		
Collateral given on behalf of joint venture	0.1	0.1
Other collateral	0.0	0.0
Guarantee liabilities from project contracts	31.9	36.4
Lease liabilities from short-term assets with low value	0.5	0.6
VAT liability	0.1	0.1

The collateral for the Group's loans has been released in accordance with the terms and conditions of the loan agreement in connection with the initial public offering.

Related-party transactions

The Group's related parties include the parent company, subsidiaries and the joint venture KFS Finland Oy. Related parties also include key management personnel, their close family members and communities where these persons exercise direct or indirect control. Key management personnel include the members of the Board of Directors, President & CEO, Senior Vice President and the members of the Group's Management Team.

Until the February IPO, related parties also included Intera Fund II Ky and the companies belonging to its group of companies. In connection with the IPO, Intera Fund II Ky's ownership decreased to less than 20%.

EUR million	1–3/2021 Income	Expenses	3/2021 Receivables	Liabilities
Intera Fund II Ky				
Joint venture	1.8	–0.6	0.8	0.1
Other related parties ¹⁾		–0.2		0.1

EUR million	1–12/2020 Income	Expenses ²⁾	12/2020 Receivables	Liabilities
Intera Fund II Ky		–0.7		
Joint venture	19.0	–3.6	0.9	
Other related parties ¹⁾	0.1	–0.7		0.0

EUR million	1–3/2020 Income	Expenses ³⁾	3/2020 Receivables	Liabilities ²⁾
Intera Fund II Ky		0.0		6.8
Joint venture	8.1	–1.0	6.1	0.3
Other related parties ¹⁾	0.1	–0.1		3.4

¹⁾ Other related parties include transactions carried out with the parent company or subsidiaries by the members of the Board of Directors and other key management personnel and their immediate family members or entities controlled by them.

²⁾ Expenses and liabilities regarding Intera Fund II Ky and other related parties include the equity loan converted to equity and the related interest expenses from the reference periods.

³⁾ Expenses for the reporting period do not include the group's unrecognised equity loan interests which had accrued in the amount of EUR 0.3 million in 1–3/2020.

Events after the reporting period

No relevant events have occurred after the reporting period.