

# KREATE

## The Board of Directors of Kreate Group Plc decided on share-based incentive plans

23.6.2021 09:00:00 EEST | Kreate Group Oyj | Other information disclosed according to the rules of the Exchange

Kreate Group Plc      Stock exchange release      23 June 2021 at 9:00 a.m. EEST

## The Board of Directors of Kreate Group Plc decided on share-based incentive plans

The Board of Directors of Kreate Group Plc has decided to launch two new long-term share-based incentive plans for the key employees of the Group and the Group's associated company. The aim of the new plans is to align the objectives of the company, shareholders, and key employees for increasing the value of the company in the long-term, to retain the key employees at the company and to offer them competitive reward plans that are based on earning and accumulating the company's shares as well as on the share value increase.

A member of the company's Management Team must hold at least 50 percent of the net number of shares paid based on the new plans until the member's shareholding in the company in total corresponds to the value of their gross annual salary. This number of shares must be held as long as the membership in the Management Team continues.

The aim is to pay the rewards of the incentive plans using the treasury shares held by the company leaving the plans with no dilution effect.

### Performance Share Plan 2021-2024

The Performance Share Plan 2021-2024 consists of two two-year performance periods, calendar years 2021-2022 and 2023-2024. A performance period is followed by a two-year restriction period. The Board of Directors of the company decides on the plan's performance criteria and targets to be set for each criterion at the beginning of a performance period.

The potential reward of the plan will be paid partly in the company's shares and partly in cash after the end of the restriction period. The cash portion is intended to cover taxes and tax-related costs arising from the reward to a participant. As a rule, no reward will be paid if a participant's service or employment terminates before the reward payment.

During the performance period 2021-2022, the reward is based on the Group's cumulative EBITA, Total Shareholder Return on Kreate share (TSR) and the fulfillment of the company's strategic objectives.

The rewards to be paid based on the performance period 2021-2022 will correspond to the value of an approximate maximum total of 160,000 Kreate Group Plc shares, also including the portion to be paid in cash. During the performance period 2021-2022, the Management Team members belong to the target group of the Performance Share Plan.

### Share Bonus Plan 2022-2024

The Share Bonus Plan offers the key employees in the target group an opportunity to earn the company's shares as a reward by converting into shares the portion decided by the Board of Directors of the performance bonus to be earned in the performance-based bonus scheme for 2022. Before the reward payment, the performance bonus converted into shares will be multiplied by the reward multiplier decided by the Board of Directors.

The potential reward of the Share Bonus Plan will be paid partly in the company's shares and partly in cash after the two-year restriction period in 2025. The cash portion is intended to cover taxes and tax-related costs arising from the reward to a key employee. Dividends and potential distributions of assets paid to the shares during the restriction period will be compensated to the key employee in connection with the reward payment.

The Board of Directors will decide on the key employees belonging to the target group of the Share Bonus Plan in fall 2021. Preliminary, approximately 60 key employees, including the members of the company's Management Team belong to the target group of the Share Bonus Plan. Under the Share Bonus Plan, key employees in the target group may convert into shares their earned performance bonuses worth an approximate maximum total of 1.5 million euros. The shares are paid a matching reward with a reward multiplier of 0.5. The final number of shares payable under the Share Bonus Plan depends on the number of key employees participating in the plan, the outcome of the performance bonus as well as on the share price at the time of conversion.

Distribution: Nasdaq Helsinki, media and [kreate.fi/en](https://kreate.fi/en)

## **Contacts**

- Timo Vikström, President & CEO, Kreate Group Oyj, +358 400 740 057, [timo.vikstrom@kreate.fi](mailto:timo.vikstrom@kreate.fi)

## **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 235 million in 2020 and the company has over 400 employees. Kreate Group is listed on Nasdaq Helsinki.

## **Attachments**

- [Download announcement as PDF.pdf](#)