

Profit Warning

Update about the impact of Covid-19 on the business performance

Bologna, August 7, 2020. **Creactives Group S.p.A.** (“**Creactives Group**”) (ISIN IT0005408593 - ticker: **CREG**), an international company that develops **Artificial Intelligence** technologies to address real-life business problems in the Supply Chain, analyzed the results of Creactives S.p.A., the fully owned operating company. In the last quarter, which is historically the strongest of the whole year, the impact of Covid-19 on the business has been significant. While in the period “June 2019 - March 2020” the company recorded a sound double-digit growth, in line with the expectations and with the business plan shared with the market, starting from April 2020 the company started decreasing significantly its business performances and now expects to end the year with a slight decrease in the net sales - if compared to 2019/2020 - and with a loss, due to the fact that the company didn't stop investing during the whole pandemic period. Creactives is a software company that develops Artificial Intelligence solutions for real-time procurement insights and assures data quality at the source of purchasing processes in any ERP or Source to Pay platform. It sells internationally (more than 70% of its turnover is from outside Italy) mostly to enterprise clients such as Acciona, Airbus, AVL, BASF, Buzzi Unicem, CAF, Dubai Petroleum, Enel, Gestamp, Grupo CAF, Heraeus, Lenzing, Siemens, Tetra Pak, Unicredit. During the pandemic, several clients - mostly the ones in the oil and gas and air transportation industries - temporarily froze their technology investments and this impacted negatively the business of Creactives. On the other hand, it is important to note that Creactives didn't lose any customer during this period.

Paolo Gamberoni, CEO of **Creactives** and **Executive President of Creactives Group**, declares: “*Our company has been impacted by Covid-19, which happened in what is usually the strongest quarter of the year for us. Since we have several clients in the oil and gas and in the air transportation industries, we felt the impact of the pandemic more than other tech groups. Furthermore, all commercial events in our industry have been converted from physical to digital and consequently we had to adapt our lead generation process to this new normal. Nevertheless, we are aware that we are in a growing market, offering software solutions that match the needs of our enterprise customers, especially in the current times, where technologies like ours aimed at supporting cost reduction are playing a crucial role in the daily life of corporations*”.

About Creactives Group

Creactives Group S.p.A. (“**Creactives Group**”) (ISIN IT0005408593 - ticker: **CREG**) is an international company that develops **Artificial Intelligence** technologies to address real-life business problems which are too complex to be solved through conventional approaches.

For more information please visit: www.creactivesgroup.com

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