FINANCIAL STATEMENTS RELEASE

January–December 2019

Adapteo is a leading Northern European provider of modular space solutions. We offer premium modular space solutions to schools, daycare centres, offices, accommodation and events for temporary and permanent needs.

Adapteo.

“Positioned for profitable growth”

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Comparable quarter earnings on par with last year

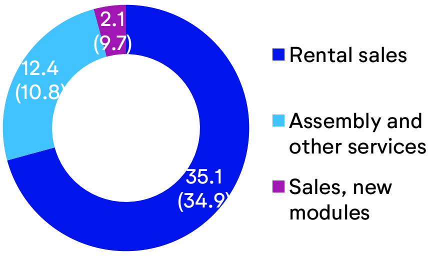
The amounts in the following financial highlights and review are presented on a pro forma basis unless otherwise indicated.

October–December 2019

- Rental sales amounted to EUR 35.1 (34.9 Oct-Dec 2018) million. In constant currencies, rental sales increased by 2%.
- Net sales amounted to EUR 49.6 (55.5) million. In constant currencies, net sales decreased by 9%.
- Comparable EBITDA was unchanged at EUR 20.6 (20.6) million. Comparable EBITDA margin increased to 41.6% (37.0).
- Operating profit (EBIT) decreased to EUR –3.9 (5.6) million, representing –7.8% (10.1%) of net sales. Operating profit (EBIT) included items affecting comparability of EUR 1.0 (4.3) million.
- Operating cash flow before growth capex was EUR 19.0 (22.8) million.[1]
- Growth capex was EUR 4.3 (17.7) million.[1]
- Earnings per share was EUR -0.17 (0.10).

[1] On a carve-out basis

Net sales
Oct–Dec 2019, EUR million

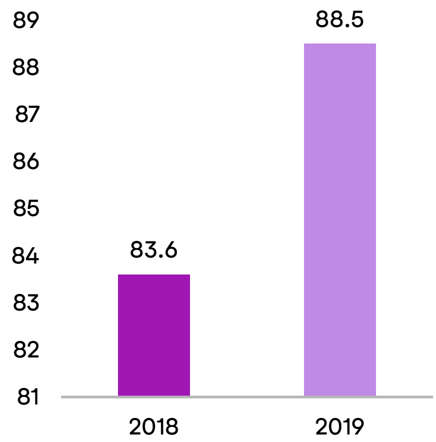


January–December 2019

- Rental sales amounted to EUR 132.7 (128.8 Jan–Dec 2018) million. In constant currencies, rental sales increased by 5%.
- Net sales amounted to EUR 216.2 (220.6) million. In constant currencies, net sales were unchanged from 2018.
- Comparable EBITDA was EUR 88.5 (83.6) million, an increase of 6% Comparable EBITDA margin increased to 40.9% (37.9%).
- Operating profit (EBIT) decreased to EUR 22.1 (42.6) million, representing 10.2% (19.3%) of net sales. Operating profit (EBIT) included items affecting comparability of EUR 12.4 (5.2) million.
- Operative return on capital employed (ROCE) amounted to 8.5% (12.1% on 31 Dec 2018)
- Net debt to comparable EBITDA was 4.5x.
- Operating cash flow before growth capex was EUR 65.7 (57.6) million.[1]
- Growth capex was EUR 29.1 (46.7) million.[1]
- Earnings per share was EUR 0.19 (0.63).
- The Board of Directors proposes a dividend of EUR 0.12 per share.

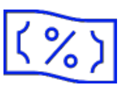
[1] On a carve-out basis

Comparable EBITDA
Jan–Dec, EUR million

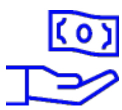


Long-term financial targets

Double-digit comparable EBITDA growth



Operative ROCE > 10%



Net debt/comparable EBITDA 3.5–4.5x

Significant events during the fourth quarter

- On 27 November, Adapteo announced that Erik Skånsberg had been appointed CFO and Niklas Alm had been appointed interim Senior Vice President Investor Relations.
- On 16 December 2019, Magnus Tinglöf assumed the position of Executive Vice President Permanent Space. All positions being members of the Group Management Team.

The reported amounts in the following tables are presented both on a pro forma and on an actual / carve-out basis. The full financial information is presented in the section “Financial information” beginning on page 17.

Key figures, pro forma

EUR millions or as indicated	Oct–Dec 2019	Oct–Dec 2018	Full Year 2019	Full year 2018
Net sales	49.6	55.5	216.2	220.6
Rental sales	35.1	34.9	132.7	128.8
Net sales growth in constant currency, %	-8.5		-0.2	
Rental sales growth in constant currency, %	1.6		4.6	
Comparable EBITDA	20.6	20.6	88.5	83.6
Comparable EBITDA margin, %	41.6	37.0	40.9	37.9
EBITDA	19.6	16.2	76.1	78.4
EBITDA margin, %	39.6	29.3	35.2	35.5
Comparable EBITA	-2.2	10.7	37.2	50.6
Comparable EBITA margin, %	-4.4	19.2	17.2	22.9
Operating profit (EBIT)	-3.9	5.6	22.1	42.6
Operating profit (EBIT) margin, %	-7.8	10.1	10.2	19.3
Profit for the period	-7.5	4.3	8.6	28.3
Earnings per share, EUR	-0.17	0.10	0.19	0.63
Comparable earnings per share, EUR	0.04	0.17	0.61	0.73
Net debt / comparable EBITDA[3]	4.5		4.5	
Operative ROCE, %	8.5	12.1	8.5	12.1
Operating cash flow before growth capex[1]	19.0	22.8	65.7	57.6
Cash conversion before growth capex, %[1]	92.0	130.8	74.2	93.3
Growth capex[1]	4.3	17.7	29.1	46.7
Total sqm of modules	1,009,986	970,447	1,009,986	970,447
Utilisation rate, %	82.6	86.0	84.4	85.3
Average rent per sqm (€/year)[1]	159.0	156.0[2]	158.7	162.8

[1] On a carve-out basis
[2] Pro forma, due to the NMG consolidation
[3] Based on reported 1–12/2019 figures

Key figures (actual/carve-out)

EUR millions or as indicated	Oct–Dec 2019 (actual)	Oct–Dec 2018	Full Year 2019	Full year 2018
Net sales	49.6	46.9	216.2	152.0
Rental sales	35.1	30.4	132.7	100.0
Comparable EBITDA	20.6	17.5	88.5	61.8
Comparable EBITDA margin, %	41.6	37.3	40.9	40.6
EBITDA	19.6	13.8	76.1	57.2
EBITDA margin, %	39.6	29.5	35.2	37.6
Comparable EBITA	-2.2	8.2	37.2	34.6
Comparable EBITA margin, %	-4.4	17.6	17.2	22.8
Operating profit (EBIT)	-3.9	4.0	22.1	29.3
Operating profit (EBIT) margin, %	-7.8	8.6	10.2	19.3
Profit for the period	-7.5	3.6	8.4	20.9
Earnings per share, EUR	-0.17	0.08	0.19	0.47
Comparable earnings per share, EUR	0.04	0.15	0.60	0.56
Net debt / comparable EBITDA	4.5		4.5	
Operative ROCE, %	8.5	8.3	8.5	8.3
Operating cash flow before growth capex	19.0	22.8	65.7	57.6
Cash conversion before growth capex, %	92.0	130.8	74.2	93.3
Growth capex	4.3	17.7	29.1	46.7
Total sqm of modules	1,009,986	970,447	1,009,986	970,447
Utilisation rate, %	82.6	86.0	84.4	84.7
Average rent per sqm (€/year)	159.0	156.0[1]	158.7	162.8

[1] Pro forma based figure due to the NMG consolidation

CEO Comments

Positioned for profitable growth

The fourth quarter of 2019 continued with a lower market activity in our main market. Given the weak market during the second half of the year, Adapteo delivers a satisfying performance driven by focused and targeted cost control and performance management. We present a stable profit and further strengthen our market position through our intensified focus on our commercial- and operational excellence programmes. Rental sales amounted EUR 35.1 (34.9) million, corresponding to an increase of 2% in constant currencies. Comparable EBITDA was flat at EUR 20.6 (20.6) million during the fourth quarter, with an increased margin to 41.6% (37.0%). Average rent per square metre amounted to EUR 159 (156). Free cash flow increased to EUR 36.5 million (11.0) during the year, which underlines the discretionary nature of our growth capex.

Throughout the year, we have seen a materially lower tender activity in the Swedish public sector, which impacted our revenues during the second half of the year, with effects also on coming quarters. The development is a result of the uncertainty related to the lack of government during the period when municipalities plan their budgets for the coming year, affecting the market activity in the public sector during our peak season. The market activity in the second half of 2019 was further affected by cost reduction initiatives among Swedish municipalities. The private sector in Sweden still shows favourable demand, albeit with longer sales cycles.

Long-term needs intact

Although we saw a lower market activity in 2019, the needs in the public sector remains and our long-term view of the favorable market development stays unchanged. An old building stock with substantial renovation needs, urbanization, demographic changes, growing number of pupils in school and children in day care centres, and a constantly growing elderly population are all examples of the primary market drivers that are expected to generate persistent demand for our solutions, today and tomorrow.

Our view of the long-term needs in the public sector is reflected in a report by Sveriges Kommuner och Regioner (SKR) in November 2019, stating that until year 2022, the Swedish municipalities need to build 730 daycare centres, 390 schools, 35 upper secondary schools and 370 group and retirement homes, together with 150 elderly care homes, in order to fulfil the increasing need for space. Simultaneously, we see a stronger penetration of prefabricated buildings and adaptable space solutions. This brings comfort in our mid-term market growth projections.

Operational Excellence

We continue our improvements in Business Area Permanent Space with a dedicated focus on LEAN production, direct material sourcing, standardisation of product structures, improvements in procurement processes and organisational efficiency measures. The initiatives have delivered improvements in our manufacturing network, as well as extracted sourcing related savings. Within our Business Area Rental Space, we concentrate on further strengthening our assembly operations execution by refining our tools and systems, as well as driving performance management.

The integration of the Nordic Modular Group acquisition is almost completed, with total annual synergies in the range of EUR three to four million to be entirely realised in 2020.

Commercial Excellence

Our commercial excellence program is built on five pillars — commercial offering optimisation, pricing excellence, sales force effectiveness, sales digitalisation and brand equity growth. An integral part of our commercial offering optimisation is to refine and sharpen our solution portfolio. In Finland, we took the next step in our fleet renewal initiative during the quarter by phasing out and replacing older module systems with the premium C90 solution. This has resulted in a write-down of EUR 9 million in the fourth quarter 2019, without impacts on EBITDA earnings and cash flow, but negative impacts on net profit and total assets. The initiative will generate higher future rental income and strengthen our long-term competitiveness.

We will continue to penetrate our present customer segments, as well as to expand into new ones. Expansion within elderly care, healthcare, social care are all examples on what is within our expansion scope. With our broad and premium offering, we are in a strong position to grow within these customer segments.

By working close to our current and prospective customers, as well as leveraging our extensive business-, customer- and user data sets, we aim to strengthen our relevance in the market, as well as to continue to develop our foundation for valuable partnerships and collaborations to become the most customer-centric company in the industry. I am looking forward to continuing our journey towards our full potential as an independent company.

Philip Isell Lind af Hageby
President and CEO

Market outlook

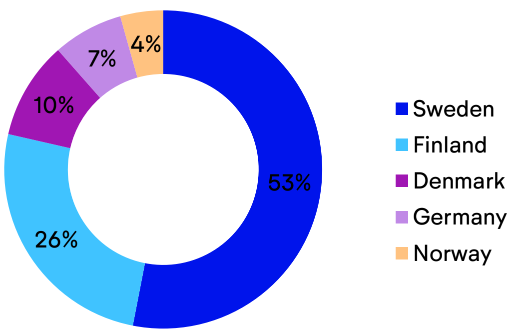
Adapteo's business operations are dependent on the development of the rental and sales markets. Overall, the company estimates that the demand for modular space solutions will be supported by structural market drivers such as an ageing building stock, urbanisation, demographic changes as well as the increasing need for social infrastructure due to a growing number of children and elderly people. The mid-term market outlook remains positive for both Business Areas, with strong underlying needs and low cyclicality driving the demand.

The rental market is expected to, over time, grow by over 10 per cent in Finland and Denmark and by 5 to 10 per cent in Sweden, Norway and Germany. In the Business Area Permanent Space, the total market is expected to grow by 5 to 10 per cent (including residential customer segment), and Adapteo's core sales market (mainly social infrastructure and office customer segments) is expected to grow by over 10 per cent.

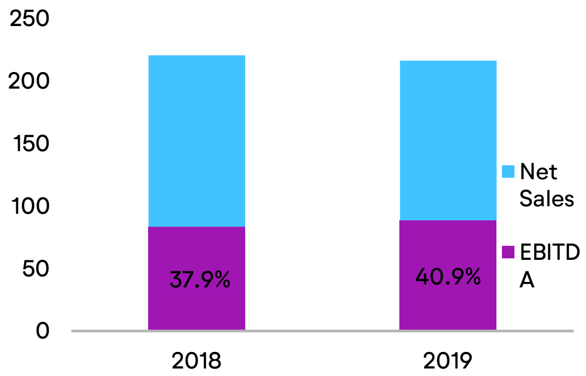
Group performance

The following financial information is presented on a pro forma basis unless otherwise indicated.

Geographical distribution (Net Sales %)



Comparable EBITDA margin, Jan–Dec, %



Net sales, pro forma

EUR millions	Oct–Dec 2019 (actual)	Oct–Dec 2018	Full Year 2019	Full year 2018
Rental sales	35.1	34.9	132.7	128.8
Assembly and other services	12.4	10.8	55.8	55.4
Sales, new modules	2.1	9.7	27.7	36.4
Total	**49.6**	**55.5**	**216.2**	**220.6**

October–December 2019

Adapteo's net sales for the fourth quarter decreased by 11% to EUR 49.6 (55.5 Oct-Dec 2018) million, mainly due to a decrease in external sales of new modules. In constant currencies, the net sales decreased by 9% compared to the corresponding period last year. Rental sales increased by 2% in constant currencies. In a majority of markets, high return flows and a surplus of available modules created price pressure, especially in public tendering. In Sweden, public market activity was lower than usual with the number of new public tenders being very low during the last quarter of 2019. Many municipalities have experienced tight financial conditions. In Finland and Denmark, public market activity for new rentals was seasonally low during the last quarter of the year, and market activity during the second half of the year was overall in line with 2018. Due to lower demand for new rentals, Adapteo's fleet has grown at a lower pace than in previous years, producing a slower growth in rental sales.

Utilisation rate of the total fleet was 83% and average rent per square meter increased to EUR 159 from EUR 156 in the previous year. Revenue from assembly and other services grew by 14%, mainly driven by increased customer demand for customization. External sales of new modules decreased from the previous year.

January–December 2019

Adapteo's net sales for January–December decreased by 2% to EUR 216.2 (220.6 Jan–Dec 2018) million, mainly due to a decrease in external sales of new modules. In constant currencies, net sales were unchanged compared to last year. Rental sales increased by 5% in constant currencies. In Sweden, the private market remained stable, but the public market activity was lower than usual with the number of new public tenders being historically low. In Finland, the utilisation rate and prices per square meter remained stable, but public market activity for new rentals was lower than usual during the second and fourth quarter of the year. In Denmark, net sales decreased mainly due to low assembly and disassembly activity during the first half of the year, whereas there was a large delivery and several other projects during 2018. In Germany, net sales decreased in comparison with last year despite a strong first quarter with successful BAUMA fair sales.

Utilisation rate of the total fleet was 84% and average rent per square meter declined from EUR 163 in the previous year to EUR 159.

Result, pro forma

October–December 2019

Adapteo's comparable EBITDA for the fourth quarter was at the previous year's level of EUR 20.6 (20.6 Oct-Dec 2018) million. The comparable EBITDA margin increased to 41.6% (37.0%). In Business Area Rental Space, Comparable EBITDA was unchanged at EUR 22.6 million, but decreased to EUR -0.7 (0.9) million in Business Area Permanent Space.

Depreciation, amortisation and impairment on property, plant and equipment (PPE) and intangibles totalled EUR -23.5 (-10.6) million during the fourth quarter. The main factor explaining the increase was a one-off EUR -8.7 million write-down of old modules to better reflect current market demand.

Operating profit (EBIT) amounted to EUR —3.9 (5.6) million. Operating profit included items affecting comparability of EUR 1.0 (4.3) million. EUR 0.7 million were expenses related to integration of Nordic Modular Group (NMG) and EUR 0.3 million were restructuring costs related to the NMG. During the comparison period, items affecting comparability included costs for preparing for the public listing of Adapteo of EUR 1.3 million.

Net financial expenses were EUR -1.5 (-1.1) million as a result of new refinancing arrangements and the acquisition of NMG. Adapteo refinanced all the debts transferred in the demerger with a new term loan of EUR 400 million drawn on 1 July 2019. NMG was consolidated from 1 November 2018.

October-December profit before taxes totalled EUR -5.4 (4.6) million and profit for the period was EUR -7.5 (4.3) million. Earnings per share was EUR -0.17 (0.10).

The adoption of the new leasing standard IFRS 16 on 1 January 2019 had a positive effect of EUR 1.1 million on comparable EBITDA.

January–December 2019

Adapteo's comparable EBITDA for January-December increased by 6% to EUR 88.5 (83.6 Jan-Dec 2018) million. The comparable EBITDA margin increased to 40.9% (37.9%).

Depreciation, amortisation and impairment on property, plant and equipment (PPE) and intangibles totalled EUR -54.0 (-35.8) million during January-December. The increase was due to a EUR -9.8 million write-down of old modules to better reflect current market demand and the acquisition of NMG with a direct impact to fleet size growth. The adoption of the new leasing standard IFRS 16 on 1 January 2019 increased depreciations by EUR 4.1 million.

Operating profit (EBIT) amounted to EUR 22.1 (42.6) million. Operating profit included items affecting comparability of EUR 12.4 (5.2) million. EUR 8.1 million were related to the costs of the public listing of Adapteo, EUR 2.1 million to the restructuring related to the NMG, and EUR 2.3 million were expenses related to integration of NMG. During the comparison period, items affecting comparability included costs regarding preparations for the public listing of Adapteo of EUR 1.4 million and NMG acquisition related expenses of EUR 3.8 million.

Net financial expenses were EUR -7.6 (-7.4) million as a result of new refinancing arrangements and the NMG acquisition. Adapteo refinanced all the debts transferred in the demerger with a new term loan of EUR 400 million drawn on 1 July 2019. NMG was consolidated from 1 November 2018.

January–December profit before taxes totalled EUR 14.6 (35.1) million and profit for the period was EUR 8.6 (28.3) million. Earnings per share was EUR 0.19 (0.63).

The adoption of the new leasing standard IFRS 16 on 1 January 2019 had a positive effect of EUR 4.1 million on comparable EBITDA and increased net debt by EUR 13.7 million.

Capital expenditure

Adapteo's January–December net capital expenditure totalled EUR 69.2 (58.2) million. Net fleet capex amounted to EUR 59.4 (53.5) million and growth capex amounted to EUR 29.1 (46.7) million. Growth capex decreased due to slower fleet growth in Sweden. In addition to fleet expansion, reinvestments were made to replace modules disposed of during the reporting period. Disposed C30 modules were replaced by modern C90 modules, which will generate higher rental income in the future. Expenditure on new rental modules required for growth was made in Sweden, Finland, Denmark and Germany.

Cash flow, financing and balance sheet

In January–December, cash flow from operating activities before financial items and taxes improved and amounted to EUR 92.0 (63.2) million. Operating cash flow before growth capex totalled EUR 65.7 (57.6) million. Net working capital decreased during 2019 by EUR 17.2 (7.5) million. Net cash flow used in investing activities totalled EUR –65.4 (–195.8) million.

On 31 December 2019, borrowings totalled EUR 412.1 million (on 31 December 2018 EUR 380.6 million). Net debt totalled EUR 399.8 million (on 31 December 2018 EUR 367.2 million). Net debt to comparable EBITDA was 4.5. Cash and cash equivalents amounted to EUR 3.8 million (on 31 December 2018 EUR 2.4 million).

Adapteo has a EUR 500,000,000 loan agreement that consists of a EUR 400,000,000 term loan and a EUR 100,000,000 revolving credit facility. The loan agreement contains financial covenants. The EUR 400,000,000 term loan was drawn on 1 July 2019 and used to refinance the debts transferred from Cramo at the demerger. At the end of the review period the EUR 100,000,000 revolving credit facility was fully undrawn.

Property, plant and equipment amounted to EUR 451.1 million (on 31 December 2018 EUR 423.3 million) of the balance sheet total at the end of the review period. Total assets were EUR 747.0 million (on 31 December 2018 EUR 708.7 million).

Operative return on capital employed (ROCE) for January–December amounted to 8.5% (12.1% in 2018, pro forma).

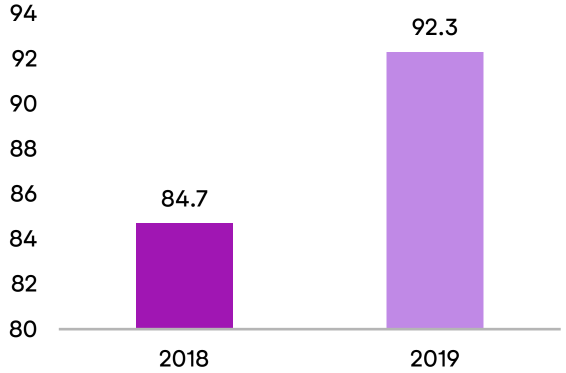
Business area performance, pro forma

Adapteo has two primary business areas: Business Area Rental Space and Business Area Permanent Space. It has operations in five geographical areas: Sweden, Finland, Norway, Denmark and Germany. Business Area Rental Space includes the rental of modular space solutions as well as the provision of assembly and other services. Business Area Permanent Space includes sales and long-term leasing of modular space solutions.

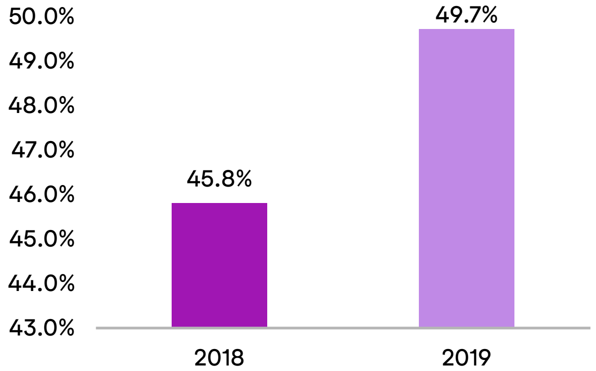
Business Area Rental Space

In Business Area Rental Space, Adapteo provides modular space solutions to different types of customers, predominantly public-sector customers such as states and municipalities, as well as private sector customers such as industrial companies and private enterprises. Adapteo offers modular space solutions primarily relating to the social infrastructure such as schools, day care centres and health and social care, as well as offices, exhibitions and other temporary needs. The majority of Rental Space Business Area's customers operate in the public sector.

Comparable EBITDA, Jan–Dec, EUR millions



Comparable EBITDA margin, Jan–Dec, %



Pro forma

EUR millions or as indicated	Oct–Dec 2019 (actual)	Oct–Dec 2018	Full Year 2019	Full year 2018
Rental sales	32.1	34.9	129.2	128.8
Assembly and other services	12.4	10.8	55.8	55.4
Sales, new modules	0.2	-0.1	1.0	0.6
Net sales	44.6	45.6	186.0	184.8
Comparable EBITDA	22.6	22.6	92.3	84.7
EBITDA	22.6	22.6	91.2	84.7
Comparable EBITDA margin, %	50.7	49.6	49.7	45.8
EBITDA margin, %	50.7	49.6	49.0	45.8

Performance in October–December

Business Area Rental Space's fourth quarter net sales decreased by 2% to EUR 44.6 (45.6 Oct-Dec 2018) million. Rental sales were higher than in the preceding quarter but lower than in Q4 2018. Net sales had a positive impact, +14% up on Q4 2018, from Assembly and other services. In Sweden, the public market was weaker with a low number of tenders, being negatively affected by the challenging financial situation in many municipalities. However, there is still an underlying need of schools and preschools in Sweden. The private rental market in Sweden remained stable. In Finland, rental sales were impacted by lower demand for older modules and a high number of returning projects. Demand for C90 modules were at a good level and ongoing project deliveries of C90 modules will have a positive impact on future rental sales. In Germany, net sales were growing in both Rental and Assembly and other services. In Denmark and Norway, many assembly and disassembly projects were closed with high revenue.

Comparable EBITDA was flat at EUR 22.6 (22.6) million with a positive cost development in Finland, Denmark and Norway, while the comparable EBITDA margin increased to 50.7% (49.6%).

EBITDA amounted to EUR 22.6 (22.6) million. Items affecting comparability included costs related to restructuring of EUR 0.0 million.

Performance in January–December

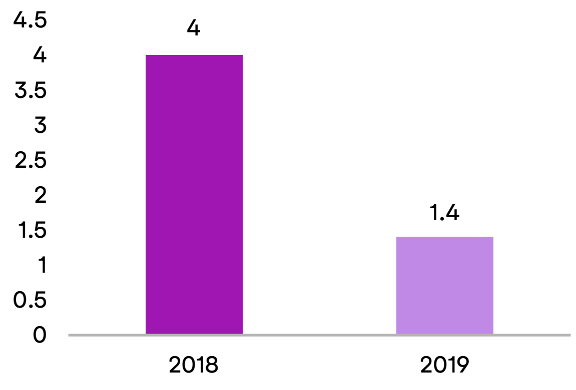
Business Area Rental Space's January–December net sales increased by 1% to EUR 186.0 (184.8 Jan-Dec 2018) million. Rental sales and Assembly and other services both remained at last year's level. In Sweden, the private market activity remained stable, but the public market activity has been slower than expected. Due to lower demand for new rentals Adapteo's fleet in Sweden has grown at a slower pace compared to the previous years. Utilisation rate decreased to 84% compared to 85% the previous year as a result of a high number of returns and due to high capital expenditure on C90 modules in late 2019. In Denmark, fleet size decreased over the year due to low demand. However, rental sales increased towards the end of the year. In Germany, net sales remained at the previous year's level with rental sales being slightly higher than in the previous year. Rental sales growth was steady in Norway while assembly and disassembly revenue made a positive contribution. Net Sales in Germany were positively impacted by great success in the BAUMA fair, held every three years in Munich. Price pressure has increased in all countries due to increased competition.

Comparable EBITDA grew by 9% to EUR 92.3 (84.7) million driven by indirect cost savings and sales of rental modules and the comparable EBITDA margin increased to 49.7% (45.8%). EBITDA amounted to EUR 91.2 (84.7) million. Items affecting comparability included costs related to restructuring of EUR 1.2 million.

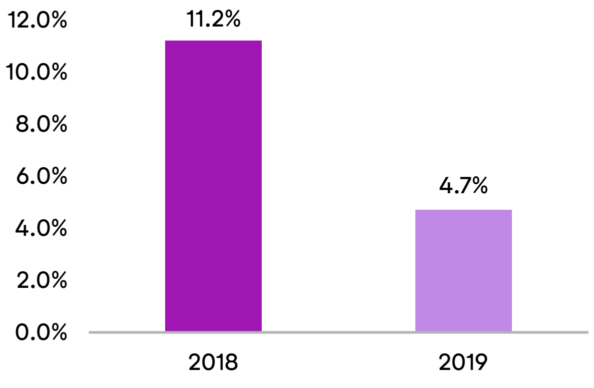
Business Area Permanent Space

In Business Area Permanent Space, Adapteo provides mainly tailor-made pre-fabricated modular space solutions for sale or long-term leasing to public and private sector customers. Adapteo provides turnkey solutions, which can be considered by customers as substitutes for buildings constructed by traditional building contractors and which are manufactured in controlled indoor circumstances with a short delivery time. The modular buildings in this business area also resemble permanent buildings in their characteristics and comply with the permanent building requirements.

Comparable EBITDA, Jan–Dec, EUR millions



Comparable EBITDA margin, Jan–Dec, %



Pro forma

EUR millions or as indicated	Oct–Dec 2019 (actual)	Oct–Dec 2018	Full Year 2019	Full year 2018
Rental sales	3.0		3.5	
Assembly and other services	0.0		0.0	
Sales, new modules	1.9	9.8	26.7	35.8
External Net sales	5.0	9.8	30.3	35.8
Inter-segment sales	7.6	6.3	22.2	24.8
Comparable EBITDA	-0.7	0.9	1.4	4.0
EBITDA	-0.7	0.9	0.8	4.0
Comparable EBITDA margin, %[1]	–	8.9	4.7	11.2
EBITDA margin, %[1]	–	8.9	2.6	11.2

[1] External sales

Performance in October–December

Business Area Permanent Space's fourth quarter external net sales amounted to EUR 5.0 (9.8 Oct–Dec 2018) million, showing a decrease of 49%. Rental sales growth now reflects leasing revenue recognition in Sweden. The orderbook has increased during Q4 compared to Q3 and is also higher than at the end of Q4 2018. Inter-segment sales increased due to higher activity at the Anneberg factory.

Comparable EBITDA declined from the previous year and was EUR -0.7 (0.9) million. Profitability in Permanent Space is depending on the quality in execution, both in production and on project site. Actions are continuing in order to improve the performance of the business area.

EBITDA amounted to EUR —0.7 (0.9) million, thus with no items affecting comparability.

Performance in January–December

Business Area Permanent Space's January–December external net sales amounted to EUR 30.3 (35.8 Jan–Dec 2018) million, showing a decrease of -15%. The core segments School and Day Care had a positive impact on external sales. External sales were underpinned by the first three building deliveries to Finland and a first building delivered to Norway. Both external and internal sales declined due to the Gråbo factory's transition to produce C90 rental modules. In the second half of the year, internal sales were higher than in second half of the 2018 due to higher demand from Rental Space in Finland.

Comparable EBITDA decreased to EUR 1.4 (4.0) million, representing 4.7% (11.2%) of external net sales. Profitability was negatively affected by production lines being in transition. The Anneberg factory is executing an efficiency programme in order to improve material flow and remove bottlenecks in production.

EBITDA amounted to EUR 0.8 (4.0) million. Items affecting comparability included costs related to restructuring of EUR 0.6 million.

Other

Personnel

At the end of 2019, the number of employees in Adapteo Group was 372 (406).

Governance

Pursuant to the provisions of the Finnish Companies Act and Adapteo's Articles of Association, the management and governance of Adapteo are divided between the shareholders, the Board of Directors and the President and CEO of the company. In addition, the Group Management Team assists the President and CEO in the operations of the company.

The shareholder participates in the governance of the company through resolutions passed at the General Meetings of Shareholders. The General Meeting of Shareholders is convened upon notice given by the Board of Directors. In addition, a General Meeting of Shareholders is held when requested in writing by the company's auditor or by shareholders representing at least one-tenth of all the shares in order to discuss a certain matter.

The number of members of the Board of Directors of Adapteo is currently five (5); and consists of Peter Nilsson as Chairman and Carina Edblad, Outi Henriksson, Andreas Philipson and Joakim Rubin as members of the Board of Directors of Adapteo. The term of office of the members of the Board of Directors of Adapteo commenced on the date of registration of the execution of the demerger of Cramo into two separate companies, Cramo Plc and Adapteo Plc, 30 June 2019, and will expire at the end of the first Annual General Meeting of Adapteo.

Current incentive schemes

Share-Based Incentive Plans

Before the demerger from Cramo Plc, the Board of Directors of Cramo Plc resolved to establish new share-based incentive plans for Adapteo Group employees. The aim was to align the objectives of the shareholders and the employees, to retain the employees at Adapteo, and to offer them continuity to existing Cramo share-based incentive plans after the demerger.

Performance Share Plan 2019

In the plan, the participants have an opportunity to earn Adapteo shares based on the achievement of performance criteria, as established by the Board. The plan includes three discretionary periods, 1 July – 31 December 2019 and calendar years 2020 and 2021. Each discretionary period is followed by a two-year vesting period. Each discretionary period is conditional to the Board's resolution. A participant's participation in the plan is contingent upon his or her participation in the Adapteo Employee Share Savings Plan. Any rewards will be paid out after the vesting period in Adapteo shares. The participants are entitled to get a gross number of shares if all the vesting conditions are met. However, a portion of shares is withheld to cover applicable taxes arising from the rewards to the participants and a net number of shares is paid.

The plan constitutes a transitional deviation from the requirement of the Swedish Corporate Governance Code 2016, which provides that the vesting period to the date for acquisition of shares is to be no less than three years. For business, continuity and programme design reasons, the discretionary periods and vesting periods of the Performance Share Plan 2019 have been set to match Adapteo's financial year, being the calendar year. However, as the completion of the demerger was registered on 30 June 2019, the demerger occurred during a calendar year. Therefore, the first discretionary period commenced on 1 July 2019, and, as a result, the first discretionary period and vesting period would together be approximately two and a half years. It has been assessed that applying a discretionary period and vesting period of a total of three and a half years would be detrimental to the incentivising purpose of the programme. The second and third discretionary periods, together with their vesting periods, would both be a total of three years. The plan is aimed at approximately 20 key employees. The reward from the discretionary period 2019 is based on the Group's EPS and the Group's operative ROCE. Per current estimation, the rewards to be paid based on the discretionary period 2019 are approximately EUR 0.9 million at the maximum. The maximum rewards were converted to Adapteo shares when the trading on Adapteo shares started.

A member of the Group Management Team must hold 50 per cent of the shares resulting from the plan, until his or her shareholding in total corresponds to the value of his or her annual gross salary.

It is to be noted that the Board of Adapteo Plc has resolved not to launch a new discretionary period for 2020 under the Performance Share Plan 2019. Instead, the board is currently investigating alternative long-term incentive (LTI) programmes to better align with the interests of shareholders and management of Adapteo. A new LTI programme is expected to be presented and launched during Q1 2020.

Employee Share Savings Plan

The Employee Share Savings Plan was offered to all Adapteo Group employees. In the plan, employees were offered an opportunity to voluntarily save a proportion of their salary to be used for the purchase of Adapteo shares.

The plan period is 1 July – 31 December 2019, during which savings from the participants' salaries have been deducted monthly. The minimum savings amount per participant per month is 2 per cent of gross salary, and the maximum is 5 per cent. The total amount of all savings may not exceed EUR 0.8 million. Each participant will receive one free matching share for every two purchased savings shares after the designated holding period, which ends on 15 May 2022, assuming the preconditions of shareholding and employment have been met. It is to be noted that the Board of Directors of Adapteo Plc has resolved not to launch a new Employee Share Savings Plan for 2020. The shares earned under the current Employee Share Savings Plan 2019 shall continue to vest in accordance with terms and conditions of the plan and payed to the participants in the original time table in May 2022.

Cramo's Share-Based Incentive Plans

Pursuant to the demerger from Cramo, the Board of Directors of Cramo resolved on certain adjustments to the reward payments of share-based incentive plans set out from Cramo summarized below:

Performance Share Plans 2017, 2018 and 2019

All rewards will be paid out in both Cramo and Adapteo shares, so that for each earned Cramo share, the participants receive one additional Adapteo share. The participants are entitled to get a gross number of shares if all the vesting conditions are met. However, a portion of shares is withheld to cover applicable taxes arising from the rewards to the participants and a net number of shares is paid.

The pending confirmed rewards from the discretionary periods 2017 and 2018 will be paid to participants in the original schedule after the relevant vesting periods, in May 2020 and 2021.
For Adapteo participants, the discretionary period 2019 ended already on 30 June 2019. Any rewards accrued by 30 June 2019 will be paid to participants in the original schedule after the relevant vesting period, in May 2022.

One Cramo Share Plan

After the completion date pursuant to the demerger, the pending matching shares in the One Cramo Share Plan will be paid to the participants in the original schedule after the relevant holding periods, in May 2020, 2021, and 2022. Matching shares will be paid out in both Cramo and Adapteo shares, so that for each earned Cramo share, the participants receive one additional Adapteo share. The participants are entitled to get a gross number of shares if all the vesting conditions are met. However, a portion of shares is withheld to cover applicable taxes arising from the rewards to the participants and a net number of shares is paid.

For Adapteo participants, saving in the One Cramo Share Plan ended on 30 June 2019. Any savings not used for share purchases before the demerger has been used to purchase Adapteo shares for Adapteo participants after the demerger. The matching shares will be denominated respectively.

Due to the recent tender offer process for all shares of Cramo Plc made by Boels, the Board of Directors of Adapteo has decided to make certain considerations relating to the share-based plans originating from Cramo. The Board of Directors has decided that all Adapteo shares under the affected programmes shall continue to vest in accordance with the original time table and terms and conditions. The Board of Directors will decide on the treatment of the shares or share value of Cramo share under each respective plan period.

Risks and uncertainties

Unfavourable developments in the global economic and financial markets may affect Adapteo's operating environment negatively, which could result in decreased demand for Adapteo's services due to financial difficulties experienced by Adapteo's customers. In addition to the general state of the economy and the customers' financial situation, the demand for temporary relocation also varies with demographics and political decisions. Factors such as an ageing building stock, changes in the age structure of the population and internal migration may have an impact on the demand for Adapteo's solutions and services as well as on the prevailing cost level. Possible changes in regulation relating to Adapteo's business operations may also turn out to be unfavourable for Adapteo.

In addition to the uncertainties in the operating environment, the main risks associated with Adapteo's business operations are related to Adapteo's strategy, public procurement and other tendering processes, project and fleet management, logistic chains, suppliers' ability to provide products and services, competition in the market, ability to attract and retain personnel, customer acquisition as well as other operational risks relating to the functioning of internal processes or systems. In addition, Adapteo's business is subject to risks related to corporate acquisitions and reorganisations, such as the ability to integrate NMG into its existing business and the successful implementation of stand-alone Adapteo.
Uncertainty in the financial markets and economy may also be reflected in Adapteo's financial position and financing as a materialisation of credit and counterparty risk, difficulties in accessing additional financing as well as higher financial expenses and other related risks. Fluctuations in interest and exchange rates may also have an unfavourable impact on Adapteo due to exposure to foreign currencies. In addition, economic uncertainty increases the impairment risks to the balance sheet values.

In Germany Adapteo initiated a partnership with Helfende Hände, an organisation that supports severely disabled people. Adapteo will deliver a solution equal to a total area of 3,000 square meters to their operation in Munich during February 2020.

Dividend proposal

The Board of Directors proposes to the Annual General Meeting to decide on a dividend of EUR 0.12 per share.

Forward looking statements

This report contains forward-looking statements that reflect the Board of Directors' and management's current views with respect to certain future events and potential financial performance. Although the Board of Directors and the management believe that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, (i) changes in economic, market and competitive conditions, (ii) success of business and operating initiatives, (iii) changes in the regulatory environment and other government actions, (iv) fluctuations in exchange rates and (v) business risk management. This report does not imply that Adapteo has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

Auditors' review

This report has not been audited by the company's auditors.

Financial calendar

- Annual Report 2019: 2 April 2020
- Annual General Meeting: 23 April 2020
- Business Review Release Q1 2020: 14 May 2020
- Half-Yearly Report Q2 2020: 7 August 2020
- Business Review Release Q3 2020: 18 November 2020

Q4 presentation on 14 February

A conference call with a presentation for investors, analysts and media will be held at 09.00 CET on 14 February 2020.
For details, please refer to https://www.adapteogroup.com/investors/financial-report/

Annual report

The Annual Report will be available on the company's investor web pages (adapteogroup.com/investors/financial-report/) on 2 April, 2020.

Annual general meeting

The Annual General Meeting of Adapteo Plc will be held on 23 April, 2020, at 1 pm (local time, EET) at Suomen Pörssisäätiö, Fabianinkatu 14, Helsinki, Finland. The agenda for the meeting and the proposed decisions and other documents submitted to the General Meeting of Shareholders are made available on Adapteo's website at least three weeks before the meeting.

Stockholm, 14 February 2020
On behalf of the Board of Directors of Adapteo Plc
Philip Isell Lind af Hageby
President and CEO, Adapteo Plc

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The information in this Financial Statement Release 2019 is of the type that Adapteo Group Plc (publ) is required to disclose according to the Securities Market Act. The information was submitted for publication on Friday, 14 February at 7:30 a.m. (CET).

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www.adapteogroup.com

Adapteo in brief
Adapteo is a leading Northern European provider of modular space solutions. We operate in Sweden, Finland, Norway, Denmark and Germany. Adapteo is a new brand with over 30 years of experience, born from the acquisition of Nordic Modular Group and the demerger from Cramo. We offer premium modular space solutions to schools, day care centres, offices, accommodation and events for temporary and permanent needs. In 2019, Adapteo's pro forma Net sales were EUR 216 million. Pro forma Net sales include the modular space business of Cramo Plc and acquired Nordic Modular Group's Net sales for the full year.
A changing society needs adaptable space. At Adapteo, we make sure everyone has the right kind of space, so that people can grow, and societies can move ahead. We create flexible modular spaces that are good for the planet and great for the future. Adapteo is listed on Nasdaq Stockholm.

www.adapteogroup.com
Space to grow

Condensed annual financial information

Consolidated income statement

EUR thousands	Note	Oct–Dec 2019	Oct–Dec 2018 (carve-out)	Full Year 2019 (carve-out)	Full Year 2018 (carve-out)
Net sales	**3**	**49,579**	**46,871**	**216,213**	**151,988**
Other operating income		**2,801**	476	**5,395**	1,569
Materials and services		**–15,719**	–16,172	**–78,901**	–57,004
Employee benefit expenses		**–8,857**	–8,737	**–33,089**	–19,819
Other operating expenses		**–8,172**	–8,617	**–33,538**	–19,531
Depreciation, amortization and impairments		**–23,485**	–9,764	**–53,954**	–27,890
Share of profit of joint ventures		**–5**	–13	**16**	–13
Operating profit (EBIT)		**–3,859**	**4,045**	**22,142**	**29,301**
Finance income		2,048	1,236	3,037	1,657
Finance costs		–3,588	–1,583	–10,787	–5,066
Finance costs, net		–1,540	–347	–7,750	**–3,410**
Profit before taxes		**–5,399**	**3,698**	**14,392**	**25,891**
Income taxes		**–2,118**	–104	**–6,001**	–4,978
Profit for the period		**–7,516**	**3,594**	**8,392**	**20,913**
Attributable to owners of Adapteo		**–7,516**	3,594	**8,392**	20,913
Earnings per share, basic, EUR[1]		**–0.17**	0.08	**0.19**	0.47
Earnings per share, diluted, EUR[1]		**–0.17**	0.08	**0.19**	0.47

[1]Calculated using the number of Adapteo shares issued as demerger consideration of 44,682,697 for all periods presented prior to the demerger.

Consolidated statement of comprehensive income

EUR thousands	Oct–Dec 2019	Oct–Dec 2018 (carve-out)	Full Year 2019 (carve-out)	Full Year 2018 (carve-out)
Profit for the period	**–7,516**	**3,594**	**8,392**	**20,913**
Translation differences	**5,423**	2,557	**–3,814**	2,002
Other comprehensive income for the year, net of tax	**5,423**	2,557	**–3,814**	2,002
Total comprehensive income for the period	**–2,093**	6,151	**4,578**	22,915
Attributable to owners of Adapteo	**–2,093**	**6,151**	**4,578**	**22,915**

The above consolidated income statement and statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated balance sheet

EUR thousands	Note	31 December 2019	31 December 2018 (carve-out)
ASSETS			
Non-current assets			
Property, plant and equipment	4	451,057	423,334
Goodwill		171,019	173,891
Other intangible assets		24,858	28,025
Investments in joint ventures		1,239	1,241
Deferred tax assets		7,414	3,109
Finance lease receivables	5	3,919	5,478
Loan receivables	5	220	224
Other receivables		746	345
Total non-current assets		660,471	**635,647**
Current assets			
Inventories		4,372	6,838
Finance lease receivables	5	4,314	5,244
Trade and other receivables		70,707	55,585
Income tax receivables		3,181	3,044
Derivative financial instruments		201	
Cash and cash equivalents	5	3,760	2,377
Total current assets		86,537	**73,089**
TOTAL ASSETS		747,008	**708,735**
EQUITY AND LIABILITIES			
Share capital		10,000	
Reserve for invested unrestricted equity		67,799	
Translation differences		-3,674	140
Profit for the period		8,392	
Retained earnings		**107,669**	
Invested equity			214,487
Total equity		190,186	214,627
Non-current liabilities			
Borrowings	5	410,488	350,093
Deferred tax liabilities		48,025	43,138
Provisions		263	50
Pension liabilities			372
Other liabilities		406	
Total non-current liabilities		459,182	**393,653**
Current liabilities			
Borrowings	5	1,564	30,468
Trade and other payables		91,828	68,330
Income tax liabilities		3,530	1,318
Derivative financial instruments		718	
Provisions			338
Total current liabilities		97,639	**100,455**
Total liabilities		556,822	**494,108**
TOTAL EQUITY AND LIABILITIES		**747,008**	**708,735**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

EUR thousands	Invested equity	Share capital	Reserve for invested unrestricted equity	Retained earnings	Translation differences	Total equity
	Attributable to owners of Adapteo					
At 1 January 2019	214,487				140	214,627
IFRS 16 transition						
At 1 January 2019 adjusted	214,487				140	214,627
Profit for the period	8,380					8,380
Other comprehensive income						
Translation differences					-6,022	-6,022
Total comprehensive income	8,380				-6,022	2,358
Share-based payments	-770					-770
Equity transactions with Cramo Group	19,712					19,712
Demerger at 30 June 2019	-241,809	10,000	67,799[1]	115,513[1]		-48,497
At 30 June 2019		10,000	67,799	115,513	-5,881	187,431[1,2]
Changes after the demerger (1 July – 31 December 2019)						
Profit for the period				11		11
Other comprehensive income						
Translation differences					2,206	2,206
Total comprehensive income				11	2,206	2,217
Share-based payments				536		536
At 31 December 2019		10,000	67,799	116,060	-3,674	190,186

[1]Reserve for unrestricted equity formed in the demerger and total equity have been increased by a correction of EUR 836 thousand with a corresponding decrease in other payables at the demerger date 30 June 2019. Retained earnings and total equity have been decreased by a correction of EUR 173 thousand at the demerger date 30 June 2019.

[2]The total equity has decreased as at 30 June 2019 mainly due to portion of Cramo's external general debt transferred to Adapteo in accordance with the demerger plan as well as decreases in allocated carve-out debt balances prior to the demerger. Net of these items has increased the amount of borrowings and decreased the amount of total equity.

EUR thousands	Invested equity and retained earnings	Translation differences	Total invested equity
	Attributable to owners of Adapteo		
At 1 January 2018	212,270	-1,862	210,409
IFRS 9 transition	-12		-12
IFRS 15 transition	255		255
IFRS 2 transition	384		384
At 1 January 2018 adjusted	**212,897**	**-1,862**	**211,036**
Profit for the period	20,913		20,913
Other comprehensive income			
Translation differences		2,002	2,002
Total comprehensive income	20,913	2,002	22,915
Share-based payments	200		200
Equity transactions with Cramo Group	-19,523		-19,523
At 31 December 2018	**214,487**	**140**	**214,627**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

EUR thousands	Full Year 2019 (carve-out)	Full Year 2018 (carve-out)
Cash flow from operating activities		
Profit before taxes	14,392	25,891
Adjustments:		
Depreciation, amortization and impairment	53,953	27,890
Share of profit of joint ventures	-16	13
Other non-cash adjustments	-669	-1,886
Net gain on sale of property, plant and equipment	-3,290	-847
Share-based payments	342	369
Finance costs, net	7,750	3,410
Cash generated from operations before changes in working capital	72,486	54,840
Change in working capital		
Change in inventories	2,342	2,511
Change in trade and other receivables	-16,083	-1,262
Change in trade and other payables	30,973	6,212
Change in working capital	17,232	7,460
Change in finance lease receivables	2,271	922
Cash generated from operations before financial items and tax	91,989	63,222
Interest paid	-6,677	-2,307
Interest received	411	29
Other financial items	-2,983	-967
Income taxes paid	-2,614	-1,957
Net cash inflow from operating activities	80,126	**58,020**
Cash flow from investing activities		
Payments for property, plant and equipment	-76,604	-68,057
Payments for intangible assets	-424	-280
Proceeds from sale of property, plant and equipment and intangible assets	12,392	11,565
Acquisition of subsidiaries and business operations, net of cash acquired	-751	-139,001
Net cash (outflow) from investing activities	-65,386	**-195,773**
Cash flow from financing activities		
Repayments of demerger related liabilities to Cramo Plc	**-28,514**	
Proceeds from bank loans	453,000	209,637
Repayment of bank loans	-439,832	-63,655
Change in other current borrowings	-5,012	1,911
Net proceeds from/repayment of (-) in loans from Cramo Group	-12,248	15,156
Lease payments	-3,817	-561
Equity financing with Cramo Group, net	23,136	-22,519
Net cash inflow from financing activities	**-13,287**	**139,970**
Change in cash and cash equivalents	1,453	2,216
Cash and cash equivalents at beginning of period	2,377	159
Exchange differences	-70	2
Cash and cash equivalents at end of period	3,760	**2,377**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the condensed annual financial information

1. Background

Adapteo Plc was established through the partial demerger of Cramo Plc on 30 June 2019 when all the assets, debts and liabilities belonging to Cramo's Modular Space business transferred to a new independent company named Adapteo Plc. Thus, Adapteo has not formed a separate legal group before 30 June 2019.

The balance sheet as at 31 December 2019 as well as the income statement and cash flow statement information for the period 1 July—31 December 2019 are based on actual consolidated figures. The income statement and cash flow statement information for the year ended 31 December 2019 is a combination of actual consolidated and carve-out financial information and the comparative figures for year 2018 are fully based on carve-out financial information.

The consolidated financial information is presented in thousands of euros except when otherwise indicated. Rounding differences may occur.

This annual financial information is unaudited.

2. Basis of preparation and significant changes during the reporting period

This condensed annual financial information for 1 January to 31 December 2019 has been prepared in accordance with IAS 34 Interim Financial Reporting, applying the same accounting policies as in the audited carve-out financial statements as at and for the years ended 31 December 2018, 2017 and 2016, except for the new accounting standards adopted as from 1 January 2019, which are described in section 9.

The consolidated financial information for the year ended 31 December 2019 are a combination of actual consolidated financial information of Adapteo Plc and its subsidiaries as from the demerger date 30 June 2019 and carve-out financial information prior to the demerger date. The carve-out financial information for the six months period 1 January to 30 June 2019, has been prepared on a carve-out basis from Cramo's consolidated interim financial information using the historical income and expenses, assets and liabilities and cash flows attributable to Adapteo. The carve-out financial information also included certain Cramo's parent company's and Cramo Services AB's income, expenses, assets, liabilities and cash flows which have either be transferred to Adapteo or which have been allocated to Adapteo for the purpose of preparation of carve-out financial information.

The carve-out financial information does not necessarily reflect what the combined results of operations and financial position would have been, had Adapteo existed as a separate independent legal entity and had it therefore presented stand-alone carve-out financial information during the periods presented. Further, it may not be indicative of Adapteo's future performance, financial position and cash flows.

Critical Accounting Estimates and Judgements

The preparation of this consolidated financial information including the carve-out financial information for periods prior to the demerger date has required management to make estimates and judgements affecting the amounts reported in this consolidated financial information and the accompanying notes. These estimates and judgements have an impact on the accounting principles applied to this consolidated financial information and on the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and assumptions. Estimates, judgements and assumptions have been used for example for the carve-out principles applied, determining the fair value of the assets acquired through business combinations, share-based payments, taxes and impairment testing. A more detailed analysis of areas involving estimation and management judgement is included in note 1.5 of the audited carve-out financial statements as at and for the periods ended 31 December 2018, 2017 and 2016. Estimates made for previous periods have not changed. Management believes the assumptions and allocations underlying the carve-out financial information are reasonable and appropriate under the circumstances. The expenses and cost allocations have been determined on a basis considered by Cramo to be a reasonable reflection of the utilisation of services provided to or the benefit received by Adapteo during the periods presented. However, these assumptions and allocations are not necessarily indicative of the costs Adapteo would have incurred if it had operated on a stand-alone basis or as an entity independent of Cramo.

Significant changes during the reporting period

The financial position and performance of Adapteo as at and for the year ended 31 December 2019 were particularly affected by the following events and transactions:

- Adapteo Plc was established on 30 June 2019 when the partial demerger of Cramo was completed and all assets, debts and liabilities attributable to Adapteo were transferred to Adapteo Plc. The balance sheet of Adapteo as at 31 December 2019 reflects the actual consolidated balance sheet of the group whereas income statement and cash flow information for the year 2019 is a combination of actual and carve-out information and comparative information for the year 2018 is fully prepared on a carve-out basis.
- The total equity has decreased from EUR 214.6 million as at 31 December 2018 to EUR 187.4 million as at the demerger date 30 June 2019 mainly due to portion of Cramo's external general debt transferred to Adapteo in the demerger as at 30 June 2019 in accordance with the demerger plan as well as decreases in allocated carve-out debt balances prior to the demerger. Net of these items has increased the amount of borrowings and decreased the amount of total equity.

- Adapteo adopted the new IFRS 16 Leases standard on 1 January 2019 using the modified retrospective approach where the comparative financial information was not restated and the impacts of the adoption were recognised on the opening balance sheet on 1 January 2019.
- Adapteo refinanced all the debts transferred in the demerger with a new term loan of EUR 400 million drawn on 1 July 2019.
- Acquisition of Nordic Modular Group Holding AB ("NMG") completed on 31 October 2018 impacts the comparability of the income statement information between the current reporting periods and the comparative periods.
- Operating expenses for the year ended 2019 include items affecting comparability of EUR 12.4 million consisting of costs related to the listing of EUR 8.1 million, NMG acquisition related integration costs of EUR 2.3 million and restructuring costs of EUR 2.1 million consisting of redundancy payments.

3. Segment information

Adapteo offers premium modular space rental and rental related services and sells new modular space solutions. Adapteo's operations and profitability is reported as two operating segments, Business Area Rental Space and Business Area Permanent Space, which is consistent with the internal reporting and the way that operative decisions related allocation of resources and assessment of performance have been made by the Adapteo's group management team as Adapteo's chief operating decision maker. Adapteo has not aggregated its operating segments. Adapteo reports its business area results using EBITDA and comparable EBITDA as the main operating measures. Business Area Rental Space includes the rental of modular space solutions as well as the provision of assembly and other services. Business Area Permanent Space includes sales and long-term leasing of modular space solutions. Adapteo has operations in five geographical areas: Sweden, Finland, Norway, Denmark and Germany.

The information below summarises financial information for both business areas based on the business area structure effective as of the completion of the demerger, as well as geographical segment information.

The tables below present segment information for Adapteo's business areas for the periods ended 31 December 2019 on actual and carve-out basis and 31 December 2018 on a carve-out basis.

EUR thousands	Rental Space	Permanent Space	Group functions	Eliminations	Group total
Oct–Dec 2019 (actual)					
Net sales by business area					
Rental sales	32,097	3,049			35,146
Assembly and other services	12,362				12,362
Sales, new modules	150	1,921			2,071
Total external net sales	**44,609**	**4,970**			**49,579**
Inter-segment sales		7,647		-7,647	
Net sales	**44,609**	**12,617**		**-7,647**	**49,579**
Comparable EBITDA	**22,602**	**-692**	**-1,250**		**20,659**
Total items affecting comparability	33	-10	-1,047		-1,023
EBITDA	**22,635**	**-702**	**-2,307**		**19,626**
Depreciation, amortisations and impairments					-23,485
Operating profit (EBIT)					**-3,859**

EUR thousands	Rental Space	Permanent Space	Group functions	Eliminations	Group total
Oct–Dec 2018					
Net sales by business area					
Rental sales	30,349	19			30,368
Assembly and other services	10,908	10			10,918
Sales, new modules	77	5,508			5,585
Total external net sales	**41,334**	**5,537**			**46,871**
Inter-segment sales	2,383	4,125		-6,508	
Net sales	**43,717**	**9,662**		**-6,508**	**46,871**
Comparable EBITDA	**19,122**	**405**	**-2,066**		**17,461**
Total items affecting comparability			-3,652		-3,652
EBITDA	**19,122**	**405**	**-5,718**		**13,809**
Depreciation, amortisations and impairments					-9,764
Operating profit (EBIT)					**4,045**

EUR thousands	Rental Space	Permanent Space	Group functions	Eliminations	Group total
Jan–Dec 2019					
Net sales by business area					
Rental sales	129,182	3,546			132,728
Assembly and other services	55,774				55,774
Sales, new modules	998	26,713			27,711
Total external net sales	**185,954**	**30,259**			**216,213**
Inter-segment sales		22,209		−22,209	
Net sales	**185,954**	**52,468**		**−22,209**	**216,213**
Comparable EBITDA	**92,342**	**1,409**	**−5,220**		**88,531**
Total items affecting comparability	−1,179	−610	−10,646		−12,435
EBITDA	**91,163**	**799**	**−15,866**		**76,096**
Depreciation, amortisations and impairments					−53,954
Operating profit (EBIT)					**22,142**

EUR thousands	Rental Space	Permanent Space	Group functions	Eliminations	Group total
Jan–Dec 2018					
Net sales by business area					
Rental sales	99,947	19			99,966
Assembly and other services	45,814	10			45,824
Sales, new modules	690	5,508			6,198
Total external net sales	146,451	5,537			151,988
Inter-segment sales	2,383	4,125		−6,508	
Net sales	148,834	9,662		−6,508	151,988
Comparable EBITDA	64,489	405	−3,141		61,752
Total items affecting comparability			−4,562		−4,562
EBITDA	64,489	405	−7,703		57,191
					,
Depreciation, amortisations and impairments					−27,890
Operating profit (EBIT)					**29,301**

Net sales by geographical area[1]

EUR thousands	Full Year 2019	Full Year 2018
Finland	55,275	36,963
Sweden	114,499	74,461
Norway	9,448	7,350
Denmark	21,510	18,725
Germany	15,481	14,489
Total	**216,213**	**151,988**

[1] Net sales are presented based on the location of clients.

Assets by geographical area[1]

EUR thousands	31 December 2019	31 December 2018
Finland	116,459	93,062
Sweden	429,004	441,290
Norway	17,904	16,037
Denmark	51,362	47,100
Germany	38,109	34,825
Total	**652,837**	**632,314**

[1] Non-current assets other than deferred tax assets and loan receivables are presented based on the location of assets.

Net sales

The following table summarises the net sales breakdowns:

EUR thousands	Full Year 2019	Full Year 2018
Rental sales	132,728	99,966
Assembly and other services	55,774	45,824
Sales, new modules	27,711	6,198
Total	**216,213**	**151,988**

Timing of IFRS 15 revenue recognition:

EUR thousands	Full Year 2019	Full Year 2018
Products and services transferred at point in time	29,253	6,825
Services transferred over time	54,232	45,196
Total	83,485	**52,022**

Rental sales (IFRS 16)
The majority of revenue in Adapteo consists of rental sales generated from leases of temporary modular space solutions with contract lengths varying from short-term event business rentals to longer-term, several year contracts to both municipalities and private customers. The primary customer segments include schools, day cares, offices, health and social care and exhibitions and fairs. Rental sales are derived from both modular space solutions and accessories.

Assembly and other services (IFRS 15)
Assembly and other services include short-term services related to on- and off-site transportations, assembly and disassembly of modules, customisations as well as design, planning activities and other smaller service components such as seasonal services during the rental period. The duration of assembly and disassembly services of modular space varies from a few days to several months. Other revenue-generating services include repair and maintenance services.

Sales, new modules (IFRS 15)
Sales, new modules consist of sale of new modular space solutions. Adapteo provides tailor-made turnkey modular space solutions to both public and private customers. Customers can either buy or enter into a long-term leasing contract with an option to buy the modular space solution after the lease period. Sales, new modules also include the sale recognised in connection with these long-term rental agreements, fulfilling the criteria for finance leasing. Interest income related to finance leasing is presented as other operating income.

4. Changes in property, plant and equipment

Adapteo's property, plant and equipment ("PPE") mainly consists of rental equipment including modules used in modular space leases and rental accessories. Other property, plant and equipment assets comprise buildings including offices and production facilities, capitalised costs of leasehold improvements, other machinery and equipment including mainly production machinery, office equipment as well as assets under construction.

Right-of-use assets (RoU assets) according to IFRS 16 have been reported within property, plant and equipment, see further information in note 9.

Impairment losses relate mainly to the write-down of old modules.

EUR thousands	Rental equipment[1]	Other PPE assets	Total PPE
Net book value at 1 January 2019[2]	411,348	28,104	439,452
Additions	66,896	9,430	76,326
Disposals	-7,504	-1,819	-9,323
Depreciations	-36,098	-4,628	-40,726
Impairments	-9,770	-380	-10,150
Reclassification between asset categories	5,131	-5,131	0
Exchange differences	-4,467	-55	-4,521
Net book value at 31 December 2019	425,537	25,521	451,057

[1] Comprises rental equipment and rental accessories, in 2019 also RoU rental machinery.
[2] Opening net book value at 1 Jan 2019 of rental equipment has been adjusted by EUR 1,212 thousand and other PPE assets by EUR 14 905 thousand in the connection of IFRS 16 transition.

5. Net debt

Adapteo's borrowings as at 31 December 2019 consisted of bank loans, lease liabilities and a collateralised loan. The carrying values of Adapteo's borrowings and net debt:

EUR thousands	31 December 2019	31 December 2018
Non-current:		
Bank loans	398,171	209,663
Convertible loan		53,633
Loans from Cramo Group		86,327
Collateralised loan	405	
Lease liabilities	11,912	
Finance lease liabilities		469
Total non-current borrowings	**410,488**	**350,093**
Current:		
Credit facility		3,577
Loans from Cramo Group		20,202
Collateralised loan	45	6,475
Lease liabilities	1,519	
Finance lease liabilities		215
Total current borrowings	**1,564**	**30,468**
Total borrowings	**412,052**	**380,561**
Less:		
Loan receivables	-220	-224
Finance lease receivables	-8,233	-10,721
Cash and cash equivalents	-3,760	-2,377
Net debt	**399,839**	**367,238**

For borrowings, the fair values are not materially different to their carrying amounts, since the contractual interest on borrowings is close to current market rates. For other financial assets and liabilities, carrying values correspond to fair values.

After the demerger, a new term loan of EUR 400 million was drawn on 1 July 2019. The loan was used for refinancing of interest-bearing liabilities transferred to Adapteo in demerger and financing general corporate purposes. The loans repaid on 1 July 2019 consist of the EUR 243 million bank loan attributable to the acquisition of NMG, and the EUR 125 million bank loan transferred as a general debt allocation in accordance with the demerger plan.

In addition, a loan to Cramo Plc of EUR 19.4 million was transferred as the general debt allocation and a receivable from Cramo Plc of EUR 1.0 million was transferred as cash allocation in accordance with the demerger plan. In connection with the demerger Cramo Plc has also invoiced Adapteo EUR 10.1 million of costs related to the listing and commencement of Adapteo's operations. These balances with Cramo Plc have been paid in full.

Adapteo has EUR 100 million revolving credit facility maturing in 2022 but, at the consent of the lenders, the maturity can be extended by twelve months. EUR 100 million revolving credit facility EUR million was unused on 31 December 2019. In addition, Adapteo has EUR 10 million facility agreement until further notice and SEK 98 million multi-option facility agreement valid until 30 June 2020, of which both facilities were unused on 31 December 2019.

6. Commitments and contingent liabilities

Adapteo had the following off-balance sheet commitments:

EUR thousands	31 December 2019	31 December 2018
Guarantees and commitments given on behalf of Group companies	1,254	843
Investments	12,260	17,559
Debts, secured by collateral		
Collateralised loan	450	5,086
Finance lease liabilities		684
Collateral given		
Pledges, collateralised loan	482	4,727
Pledges, finance lease liabilities		682

On adoption of IFRS 16, Adapteo recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17 Leases. See further information in note 9.

7. Related party transactions

As from the demerger date 30 June 2019 Adapteo's related parties include the parent company Adapteo Plc and its subsidiaries as well as a joint venture. Related parties also include key management personnel and their close family members as well as entities controlled by these persons. Key management personnel inlude Adapteo's group management team and the members of the Board of Directors.

Until the date of the demerger Adapteo's related parties included Cramo Plc and Cramo Group companies other than Adapteo entities.

Transactions with Cramo Group

Adapteo had the following transactions with other Cramo Group companies during the periods presented. Related party transactions in the consolidated income statement:

EUR thousands	Full Year 2019[1]	Full Year 2018
Net sales	100	1,053
Purchases	333	457
Interest expenses	–865	–1,821

1 For the period 1 January to 30 June 2019

Related party transactions in the consolidated balance sheet:

EUR thousands	31 December 2019	31 December 2018
Loans from Cramo Group		106,529
Receivables		361
Payables		1,150

At the date of the demerger and after the demerger, transactions with Cramo Group are not classified as related party transactions. Transactions with Cramo Group before the demerger date are presented as related party transactions.

Adapteo's sales to Cramo Group companies comprise of sales of modular buildings. Adapteo's purchase from Cramo Group companies comprise purchase of modular buildings and leasing of centrally owned fleet. Trade and other receivables and trade and other payables comprise of items arising in the ordinary course of business.

In addition to above, prior to the demerger, Cramo Plc had equity and financing transactions with Adapteo which led to recognition of receivables and payables with Cramo Group as presented in the table above. Short-term and long-term borrowings represent loan balances owed by Adapteo to Cramo Plc that have been arranged for Adapteo to meet its financing needs. Interest expenses comprise interest on Cramo's financing to Adapteo.

Equity transactions made with Cramo Group have been presented in the statement of changes in equity.

Loans to related parties

As at 31 December 2019 Adapteo had a EUR 220 thousand loan receivable from a joint venture Ungabostäder Haninge AB, EUR 224 thousand as at 31 December 2018.

8. Share-based incentive plans

The demerger affected Cramo's share-based incentive plans attributable to Adapteo personnel and transferred to Adapteo in the demerger. The Board of Directors of Cramo has resolved on the adjustments to the reward payments of the Cramo's share-based incentive plans as described under 'Current incentive plans' in this Annual Financial Statement Release. After the demerger, all rewards for the Cramo's share-based incentive plans are paid out in both Cramo's and Adapteo's shares. The participants are entitled to get a gross amount of shares, but a portion of shares is withheld to cover applicable taxes arising from the rewards to the participants. Taxes are paid on behalf of the participants and the employees receive a net amount of shares. At the demerger date, the portion of Cramo's share-based incentive plans to be settled with Cramo's shares were classified as cash-settled incentive plans and a liability was recognised on the balance sheet. As at 31 December 2019 the corresponding liability amounted to EUR 0.4 million.

9. Changes in accounting policies

This note explains the impact of the adoption of IFRS 16 Leases on the Adapteo's financial statements and discloses the new accounting policies that have been applied from 1 January 2019.

Adapteo has adopted IFRS 16 using the modified retrospective approach from 1 January 2019 and has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard.

Adjustments recognised on adoption of IFRS 16

On adoption of IFRS 16, Adapteo recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments. Average incremental borrowing rate used was 2.5% as of 1 January 2019.

For leases previously classified as finance leases, the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability at the date of initial application. The measurement principles of IFRS 16 are only applied after that date. The remeasurements to the lease liabilities were recognised as adjustments to the related right-of-use assets immediately after the date of initial application.

The following table presents the reconciliation of operating lease commitments disclosed as at 31 December 2018 and the lease liability recognised as at 1 January 2019:

EUR thousands	
Operating lease commitments disclosed as at 31 December 2018	15,801
Discounted using the lessee's incremental borrowing rate at the date of initial application	14,789
Finance lease liabilities recognised as at 31 December 2018	684
Short-term/low-value leases recognised on a straight-line basis as expense	-1,101
Lease liability recognised as at 1 January 2019	14,372

The right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets are included in the property, plant and equipment as follows:

EUR thousands	RoU Rental equipment	RoU Land	RoU Buildings	RoU other assets	Total RoU assets
Net book value at 1 January 2019	1,212	5,798	6,855	2,936	16,802
Net book value at 31 December 2019	711	4,642	6,636	1,768	13,484

The transition of IFRS 16 increased property, plant and equipment by EUR 16.1 million and lease liabilities by EUR 14.4 million and decreased finance lease liabilities by EUR 0.7 million in the opening balance on 1 January 2019. The difference between opening balance of property, plant and equipment and lease liabilities was due to prepayments made before the effective date of the standard. Prepayments have not impact on items on property, plant and equipment as they were recognised to decrease the opening balance of the lease liability.
In applying IFRS 16 for the first time, Adapteo has used the following practical expedients permitted by the standard:

- for the short-term contracts in which the lease term is 12 months or less (except depot and premises contracts which are capitalised in the balance sheet to land and buildings although short-term), and to low value items.
- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Adapteo has also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, Adapteo has relied on its assessment made by applying IAS 17 and IFRIC 4 to determine if an Arrangement contains a Lease.
The lessor accounting remained mostly similar to previous IAS 17 accounting.

Adapteo's leasing activities and how these are accounted for

Adapteo leases rental machinery, vehicles and premises. Contracts for rental machinery and vehicles are typically made with maximum maturity of five years and premises with maximum maturity of 20 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.
Until the 2018 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.
From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by Adapteo. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.
Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.
Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Appendix 1 — Key figures

Key figures (actual and carve-out)

EUR millions or as indicated	Oct–Dec 2019 (actual)	Oct–Dec 2018	Full Year 2019	Full Year 2018
Net sales	49.6	46.9	216.2	152.0
Rental sales	35.1	30.4	132.7	100.0
Operating profit (EBIT)	-3.9	4.0	22.1	29.3
Operating profit (EBIT) margin, %	-7.8	8.6	10.2	19.3
Comparable EBIT	-2.8	7.7	34.6	33.9
Comparable EBIT margin, %	-5.7	16.4	16.0	22.3
EBITA	-3.2	4.6	24.8	30.0
EBITA margin, %	-6.5	9.8	11.5	19.8
Comparable EBITA	-2.2	8.2	37.2	34.6
Comparable EBITA margin, %	-4.4	17.6	17.2	22.8
EBITDA	19.6	13.8	76.1	57.2
EBITDA margin, %	39.6	29.5	35.2	37.6
Comparable EBITDA	20.6	17.5	88.5	61.8
Comparable EBITDA margin, %	41.6	37.3	40.9	40.6
Profit for the period	-7.5	3.6	8.4	20.9
Capital employed	631.5	620.5	631.5	620.5
Net capex	27.9	18.6	69.2	58.2
Net fleet capex	27.9	17.3	59.4	53.5
Growth capex	4.3	17.7	29.1	46.7
Maintenance capex	23.6	-0.3	30.3	6.9
Non-fleet capex	0.0	1.3	9.9	4.7
M&A capex		262.0		262.0
Net debt / comparable EBITDA	4.5		4.5	
Operative ROCE, %	8.5	8.3	8.5	8.3
Operating cash flow before growth capex	19.0	22.8	65.7	57.6
Cash conversion before growth capex, %	92.0	130.8	74.2	93.3
Free cash flow	14.7	5.2	36.5	11.0
Utilisation rate, %	82.6	86.0	84.4	84.7
Average rent per sqm (€/year)	159.0	156.0[1]	158.7	162.8
Total number of modules	34,017	32,410	34,017	32,410
Total sqm of modules	1,009,986	970,447	1,009,986	970,447
Number of FTEs in the end of period	372	391	372	391
Earnings per share, EUR	-0.17	0.08	0.19	0.47
Comparable earnings per share, EUR	0.04	0.15	0.60	0.56

[1] Pro forma based figure due to the NMG consolidation

Reconciliation of certain key figures (actual and carve-out)

Specification of items affecting comparability	Oct-Dec 2019 (actual)	Oct-Dec 2018	Full Year 2019	Full Year 2018
EUR thousands				
Items affecting comparability				
Costs related to the listing	70	1,323	8,078	1,407
Acquisition and integration related expenses	659	2,329	2,278	3,155
Restructuring costs	294		2,079	
Items affecting comparability in EBIT	**1,023**	**3,652**	**12,435**	**4,562**
Acquisition related expenses in net finance costs		385		385
Total items affecting comparability	**1,023**	**4,037**	**12,435**	**4,947**

Reconciliation of Comparable EBIT	Oct-Dec 2019 (actual)	Oct-Dec 2018	Full Year 2019	Full Year 2018
EUR thousands				
Operating profit (EBIT)	-3,859	4,045	22,142	29,301
Items affecting comparability in EBIT	1,023	3,652	12,435	4,562
Comparable EBIT	**-2,836**	**7,696**	**34,577**	**33,862**

Reconciliation of Comparable EBITA	Oct-Dec 2019 (actual)	Oct-Dec 2018	Full Year 2019	Full Year 2018
EUR thousands				
Operating profit (EBIT)	-3,859	4,045	22,142	29,301
Amortisation of intangible assets resulting from acquisitions	656	533	2,639	741
EBITA	**-3,203**	**4,578**	**24,781**	**30,042**
Items affecting comparability in EBIT	1,023	3,652	12,435	4,562
Comparable EBITA	**-2,180**	**8,229**	**37,216**	**34,603**

Reconciliation of Comparable EBITDA	Oct-Dec 2019 (actual)	Oct-Dec 2018	Full Year 2019	Full Year 2018
EUR thousands				
Operating profit (EBIT)	-3,859	4,045	22,142	29,301
Depreciation, amortisation and impairments	23,485	9,764	53,954	27,890
EBITDA	**19,626**	**13,809**	**76,096**	**57,191**
Items affecting comparability in EBIT	1,023	3,652	12,435	4,562
Comparable EBITDA	**20,649**	**17,460**	**88,531**	**61,752**

Reconciliation of Free cash flow	Oct-Dec 2019 (actual)	Oct-Dec 2018	Full Year 2019	Full Year 2018
EUR thousands				
Comparable EBITDA	20,649	17,460	88,531	61,752
Change in net working capital	21,980	6,339	17,232	7,460
Maintenance capex	-23,594	333	-30,256	-6,873
Non-fleet capex	-39	-1,297	-9,854	-4,717
Operating cash flow before growth capex	**18,996**	**22,835**	**65,653**	**57,623**
Growth capex	-4,290	-17,663	-29,137	-46,651
Free cash flow	**14,706**	**5,172**	**36,517**	**10,972**

Calculation of Earnings per share	Oct–Dec 2019 (actual)	Oct–Dec 2018	Full Year 2019	Full Year 2018
Profit for the period, EUR thousands	–7,516	3,594	8,392	20,913
Average number of shares, pcs[1]	44,682,697	44,682,697	44,682,697	44,682,697
Earnings per share, EUR	**–0.17**	**0.08**	**0.19**	**0.47**

[1] Number of Adapteo shares issued as demerger consideration of 44 682 697 used for all periods presented prior to the demerger date 30 June 2019.

Reconciliation of Comparable earnings per share	Oct–Dec 2019 (actual)	Oct–Dec 2018	Full Year 2019	Full Year 2018
EUR thousands or as indicated				
Profit for the period	–7,516	3,594	8,392	20,913
Total items affecting comparability	1,023	4,037	12,435	4,947
Impairment loss on property, plant and equipment	8,691		8,691	
Related income tax impact	–207	–763	–2,514	–945
Comparable profit for the period	**1,991**	**6,867**	**27,004**	**24,915**
Average number of shares, pcs[1]	44,682,697	44,682,697	44,682,697	44,682,697
Comparable earnings per share, EUR	**0.04**	**0.15**	**0.60**	**0.56**

[1] Number of Adapteo shares issued as demerger consideration of 44 682 697 used for all periods presented prior to the demerger date 30 June 2019.

Calculation of key figures (actual and carve-out)

Key figure	Definition	Reason for the use
Operating profit (EBIT)[1]	Operating profit (EBIT) as presented in the consolidated income statement	Operating profit (EBIT) shows result generated by the operating activities.
EBITA[1]	Operating profit (EBIT) + amortisation and impairment on intangible assets resulting from acquisitions	EBITA is a result metric adjusted for amortisations and impairments resulting from acquisitions and better reflects the underlying business performance.
EBITDA[1]	Operating profit (EBIT) + depreciation, amortisation and impairments	EBITDA is the indicator to measure the performance of Adapteo. EBITDA also provides a proxy for cash flow generated by operations.
Comparable EBIT[1]	Operating profit (EBIT) + items affecting comparability	Comparable EBIT, comparable EBITA and comparable EBITDA are presented in addition to EBIT, EBITA and EBITDA to reflect the underlying business performance and to enhance comparability from period to period. The Company believes that these comparable performance measures provide meaningful supplemental information by excluding items outside normal business, which reduce comparability between the periods. Additionally, comparable EBITDA is one of Adapteo's long-term financial targets.
Comparable EBITA[1]	EBITA + items affecting comparability	
Comparable EBITDA[1]	EBITDA + items affecting comparability	
Items affecting comparability	Material items outside ordinary course of business, such as costs related to the listing, acquisition and integration related expenses, restructuring expenses including redundancy payments, impairment losses on goodwill and intangible assets recognised in business acquisitions, and gains and losses on business disposals.	
Capital employed	Property, plant and equipment + goodwill + other intangible assets + investments in joint ventures + net working capital	Capital employed presents the capital requirements of Adapteo's business.
Net capex	Additions to property, plant and equipment + additions to other intangible assets – disposals of rental equipment and rental accessories at net book value	Net capex presents the net amount of investments made.
Net fleet capex	Additions to rental equipment + additions to rental accessories — disposals of rental equipment and rental accessories at net book value	Net fleet capex presents investments into new modules net of disposals.
Growth capex	Additions to rental equipment + additions to rental accessories — reinvestment capex	Growth capex distinguishes investments related to growing the rental fleet.
Maintenance capex	Reinvestment capex + capex relating to module upgrades – disposals of rental equipment and rental accessories at net book value	Maintenance capex distinguishes the portion of net investments to the fleet required to maintain the size of the fleet after disposals, as well as to maintain technical quality to meet regulatory and customer requirements.
Non-fleet capex	Additions to land, buildings, other machinery and equipment and assets under construction + additions to other intangible assets	Non-fleet capex distinguishes investments into the operating platform.
M&A capex	Enterprise value of the business acquisitions	M&A capex distinguishes investments related to business acquisitions.
Reinvestment capex	Disposed square meters of modules multiplied by average investments in modules per square meter for the period	

Key figure	Definition	Reason for the use
		Capex breakdowns provide further transparency and enable better evaluation of company's cash flows and earnings.
Operating cash flow before growth capex	Comparable EBITDA +/— change in net working capital as presented in cash flow statement — maintenance capex — non-fleet capex	Operating cash flow before growth capex indicates the amount of operational cash flow that is largely available for value creative investments, such as growing the fleet.
Cash conversion before growth capex	Operating cash flow before growth capex / comparable EBITDA	Cash conversion before growth capex indicates the proportion of comparable EBITDA, which remains after maintenance capex, non-fleet capex and investments to working capital are accounted for.
Free cash flow	Operating cash flow before growth capex – growth capex	Free cash flow indicates the cash flow that is largely available for e.g. paying dividends.
Net debt	Non-current and current borrowings – cash and cash equivalents — loan receivables – non-current and current finance lease receivables	Net debt is an indicator to measure the total external debt financing of Adapteo
Net debt / Comparable EBITDA	Net debt as at the balance sheet date / Comparable EBITDA for the last 12 months	The ratio of net debt to comparable EBITDA helps to show financial risk level and it is a useful measure for management to monitor the company's indebtedness in relation to its earnings and is one of Adapteo's long-term financial targets.
Operative ROCE	Comparable EBITA for the last 12 months / property, plant and equipment + investment in joint ventures + net working capital as at the balance sheet date Net working capital = Non-current other receivables + inventories + trade and other receivables — non-current other liabilities — non-current and current provisions — trade and other payables	Internal measure to evaluate return on capital employed and to analyse and compare different businesses and opportunities taking into account capital required. This ratio is also one of Adapteo's long-term financial targets.
Utilisation rate	Average rented fleet during the period divided by total fleet available	Utilisation rate presents how large a portion of the fleet has on average been on rent. Utilisation rate is a useful indicator to monitor the efficiency of fleet management.
Average rent per sqm	Rental revenue / average amount of sqm's on rent	Average rent per sqm provides further transparency to the revenue generation of the company.
Number of modules	–	Number of modules is a useful indicator to monitor the size of the rental fleet.
Total sqm of modules	–	Total sqm of modules is a useful indicator to monitor the size of the rental fleet.
Earnings per share	Profit for the period / average number of Adapteo's outstanding shares (number of Adapteo shares issued as a demerger consideration (44,682,697	

Key figure	Definition	Reason for the use
	pcs) used for all periods presented prior to the demerger date)	
Comparable earnings per share	Profit for the period excluding items affecting comparability, net of taxes and material impairment losses on property, plant and equipment, net of taxes / average number of Adapteo's outstanding shares (number of Adapteo shares issued as a demerger consideration (44,682,697 pcs) used for all periods presented prior to the demerger date)	

[1] Corresponding margin has been calculated by dividing the measure with net sales

Appendix 2 — Additional unaudited pro forma financial information

Basis of presentation

Adapteo Plc publishes additional unaudited pro forma financial information for the year ended 31 December 2019 and 2018 to illustrate the effects of the acquisition of NMG and the demerger and related refinancing on the business performance of Adapteo. Pro forma information is presented separately for group level and for new business area structure effective as of the consummation of the demerger to facilitate the comparability of Adapteo's future performance. Considering the magnitude of the acquisition of NMG as well as the demerger and related refinancing and the impact on Adapteo's performance and financial position, stand-alone historical information for the periods presented does not provide comparable information for the company's operating performance and financial position.

The pro forma income statement information illustrates the financial impact of the acquisition of NMG as well as the demerger and related refinancing on the business performance of Adapteo as if the transactions had taken place on 1 January 2018.

The unaudited pro forma financial information is presented for illustrative purposes only and addresses a hypothetical situation as if the transactions took place earlier and therefore does not represent the Adapteo's actual historical results of operations and does not purport to project the operating results of Adapteo. The pro forma financial information is prepared based on the historical results of Adapteo and NMG and is presented in accordance with IFRS. The pro forma financial information presented herein has been prepared on a basis consistent with the basis of presentation used in the unaudited pro forma financial information included in the Demerger Prospectus dated 3 June 2019 except that all listing and acquisition related costs have been presented in the periods when these costs were incurred consistently with the underlying historical financial information. In addition, certain allocation principles regarding business area information have been redefined.

For additional information on the basis of presentation of the pro forma financial information and more detailed disclosure on the adjustments, refer to the unaudited pro forma financial information included in the Adapteo Demerger Prospectus dated 3 June 2019 available on our website at www.adapteogroup.com. As Adapteo did not form a separate legal group of entities prior to 30 June 2019, the carve-out financial information which forms the basis for Adapteo's pro forma financial information is therefore not necessarily indicative of the financial performance of Adapteo that would have occurred if it had operated as a separate stand-alone group with standalone corporate headquarter functions during the periods presented herein or of Adapteo's future performance. For additional information on the historical results of Adapteo and NMG, refer to the audited historical carve-out financial statements and the unaudited interim carve-out financial information of Adapteo and audited consolidated financial statements of NMG available on our website.

The pro forma adjustments are based upon available information and certain assumptions. There can be no assurance that the assumptions used in the preparation of the unaudited pro forma financial information will prove to be correct.

All amounts are presented in millions of euros unless otherwise noted. The unaudited pro forma financial information set forth herein has been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total amount given for that column or row.

The additional pro forma financial information is unaudited.

Unaudited pro forma income statement information for Jan–Dec 2019

EUR millions	Adapteo Historical	Demerger and refinancing	Adapteo pro forma
Net sales	216.2		216.2
Other operating income	5.4		5.4
Materials and services	–78.9		–78.9
Employee benefit expenses	–33.1		–33.1
Other operating expenses	–33.5		–33.5
Depreciation, amortisations and impairments	–54.0		–54.0
Share of profit of joint ventures	0.0		0.0
Operating profit (EBIT)	22.1		22.1
Finance income	3.0		3.0
Finance costs	–10.8	0.2	–10.6
Total finance income and costs	–7.8	0.2	–7.6
Profit before tax	14.4	0.2	14.6
Income taxes	–6.0	0.0	–6.0
Profit for the period	**8.4**	**0.2**	**8.6**

Unaudited pro forma income statement information for Jan–Dec 2018

EUR millions	Adapteo Historical	NMG pro forma	Demerger and refinancing	Adapteo pro forma
Net sales	152.0	68.6		220.6
Other operating income	1.6	2.0		3.6
Materials and services	–57.0	–26.6		–83.6
Employee benefit expenses	–19.8	–13.8		–33.6
Other operating expenses	–19.5	–9.1		–28.6
Depreciation, amortisations and impairments	–27.9	–7.9		–35.8
Share of profit of joint ventures	0.0	0.0		0.0
Operating profit (EBIT)	**29.3**	**13.3**		**42.6**
Finance income	1.7	0.0		1.7
Finance costs	–5.1	–1.1	–3.0	–9.1
Total finance income and costs	**–3.4**	**–1.0**	**–3.0**	**–7.4**
Profit before tax	**25.9**	**12.2**	**–3.0**	**35.1**
Income taxes	–5.0	–2.4	0.6	–6.9
Profit for the period	**20.9**	**9.8**	**–2.4**	**28.3**

Unaudited quarterly pro forma income statement information

EUR millions	Oct–Dec 2019	Oct–Dec 2018	Full Year 2019	Full Year 2018
Net sales	49.6	55.5	216.2	220.6
Other operating income	2.8	1.0	5.4	3.6
Materials and services	–15.7	–20.2	–78.9	–83.6
Employee benefit expenses	–8.9	–10.1	–33.1	–33.6
Other operating expenses	–8.2	–9.9	–33.5	–28.6
Depreciation, amortisations and impairments	–23.5	–10.6	–54.0	–35.8
Share of profit of joint ventures	0.0	0.0	0.0	0.0
Operating profit (EBIT)	–3.9	**5.6**	22.1	**42.6**
Finance income	2.0	1.2	3.0	1.7
Finance costs	–3.6	–2.3	–10.6	–9.1
Total finance income and costs	–1.5	**–1.1**	–7.6	**–7.4**
Profit before tax	–5.4	**4.6**	14.6	**35.1**
Income taxes	–2.1	–0.3	–6.0	–6.9
Profit for the period	**–7.5**	**4.3**	**8.6**	**28.3**

Unaudited quarterly pro forma business area information

Pro forma business area information presented herein has been prepared to reflect Adapteo's business area structure effective following the demerger consisting of two business areas Rental Space and Permanent Space as well as Group functions.

The Rental Space business area includes the rental of modular space solutions as well as the provision of assembly and other services, and the Permanent Space business area includes sales and long-term leasing of modular space solutions.

Adapteo reports its business area results using EBITDA and comparable EBITDA as the main operating measures.

Rental Space

EUR millions or as indicated	Oct–Dec 2019	Oct–Dec 2018	Full Year 2019	Full Year 2018
Rental sales	32.1	34.9	129.2	128.8
Assembly and other services	12.4	10.8	55.8	55.4
Sales, new modules	0.2	–0.1	1.0	0.6
Total external net sales	44.6	**45.6**	186.0	**184.8**
Net sales	44.6	**45.6**	186.0	**184.8**
Comparable EBITDA	22.6	**22.6**	92.3	**84.7**
Comparable EBITDA margin, %	50.7	49.6	49.7	45.8
Total items affecting comparability			–1.2	
EBITDA	22.6	**22.6**	91.2	**84.7**
EBITDA margin, %	**50.7**	**49.6**	**49.0**	**45.8**

Permanent Space

EUR millions or as indicated	Oct–Dec 2019	Oct–Dec 2018	Full Year 2019	Full Year 2018
Rental sales	3.0		3.5	
Assembly and other services				
Sales, new modules	1.9	9.8	26.7	35.8
Total external net sales	5.0	**9.8**	30.3	**35.8**
Inter-segment sales	7.6	6.3	22.2	24.8
Net sales	12.6	**16.1**	52.5	**60.6**
Comparable EBITDA	–0.7	**0.9**	1.4	**4.0**
Comparable EBITDA margin, %[1]	–	8.9	4.7	11.2
Total items affecting comparability			–0.6	
EBITDA	–0.7	**0.9**	0.8	**4.0**
EBITDA margin, %[1]	**–**	**8.9**	**2.6**	**11.2**

[1] External sales

Group functions and eliminations

EUR millions	Oct–Dec 2019	Oct–Dec 2018	Full Year 2019	Full Year 2018
Rental sales				
Assembly and other services				
Sales, new modules				
Total external net sales				
Inter-segment sales	–7.6	–6.3	–22.2	–24.8
Net sales	–7.6	**–6.3**	–22.2	**–24.8**
Comparable EBITDA	–1.3	**–3.0**	–5.3	**–5.1**
Total items affecting comparability	–1.0	–4.3	–10.6	–5.2
EBITDA	**–2.3**	**–7.3**	**–15.9**	**–10.3**

Group total

EUR millions or as indicated	Oct–Dec 2019	Oct–Dec 2018	Full Year 2019	Full Year 2018
Rental sales	35.1	34.9	132.7	128.8
Assembly and other services	12.4	10.8	55.8	55.4
Sales, new modules	2.1	9.7	27.7	36.4
Net sales	49.6	**55.5**	216.2	**220.6**
Comparable EBITDA	20.6	**20.6**	88.5	**83.6**
Comparable EBITDA margin, %	41.6	37.0	40.9	37.9
Total items affecting comparability	–1.0	–4.3	–12.4	–5.2
EBITDA	19.6	**16.2**	76.1	**78.4**
EBITDA margin, %	39.6	**29.3**	35.2	**35.5**
Depreciation, amortisations and impairments	–23.5	–10.6	–54.0	–35.8
Operating profit (EBIT)	**–3.9**	**5.6**	**22.1**	**42.6**

Pro forma earnings per share and pro forma comparable earnings per share

EUR millions or as indicated	Oct–Dec 2019	Oct–Dec 2018	Full Year 2019	Full Year 2018
Profit for the period	-7.5	4.3	8.6	28.3
Average number of shares, pcs[1]	44,682,697	44,682,697	44,682,697	44,682,697
Earnings per share, EUR	-0.17	**0.10**	0.19	**0.63**
Profit for the period	-7.5	4.3	8.6	28.3
Total items affecting comparability	1.0	4.3	12.4	5.6
Impairment losses on property, plant and equipment	8.7		8.7	
Related income tax impact	-0.2	-1.0	-2.5	-1.1
Comparable profit the period	2.0	**7.6**	27.2	**32.8**
Average number of shares, pcs[1]	44,682,697	44,682,697	44,682,697	44,682,697
Comparable earnings per share, EUR	**0.04**	**0.17**	**0.61**	**0.73**

[1] Number of Adapteo shares issued as demerger consideration of 44 682 697 used for all periods presented prior to the demerger date 30 June 2019.

Pro forma key figures

The following tables set forth the key figures presented on a pro forma basis for the periods indicated.

EUR millions or as indicated	Oct–Dec 2019	Oct–Dec 2018	Full Year 2019	Full Year 2018
Net sales	49.6	55.5	216.2	220.6
Rental sales	35.1	34.9	132.7	128.8
Net sales growth in constant currency, %	-8.5		-0.2	
Rental sales growth in constant currency, %	1.6		4.6	
Operating profit (EBIT)	-3.9	5.6	22.1	42.6
Operating profit (EBIT) margin, %	-7.8	10.1	10.2	19.3
Comparable Operating profit (EBIT)	-2.8	9.9	34.6	47.8
Comparable Operating profit (EBIT) margin, %	-5.7	17.9	16.0	21.7
EBITA	-3.2	6.4	24.8	45.4
EBITA margin, %	-6.5	11.5	11.5	20.6
Comparable EBITA	-2.2	10.7	37.2	50.6
Comparable EBITA margin, %	-4.4	19.2	17.2	22.9
EBITDA	19.6	16.2	76.1	78.4
EBITDA margin, %	39.6	29.3	35.2	35.5
Comparable EBITDA	20.6	20.6	88.5	83.6
Comparable EBITDA margin, %	41.6	37.0	40.9	37.9
Profit for the period	-7.5	4.3	8.6	28.3
Net debt / comparable EBITDA[1]	4.5		4.5	
Operative ROCE, %	8.5	12.1	8.5	12.1
Total sqm of modules	1,009,986	970,447	1,009,986	970,447
Utilisation rate, %	82.6	86.0	84.4	85.3
Earnings per share, EUR	-0.17	0.10	0.19	0.63
Comparable Earnings per share, EUR	**0.04**	**0.17**	**0.61**	**0.73**

[1] Based on reported 1–12/2019 figures

Definitions for the pro forma key figures

The following table sets forth the definitions of the key figures presented on a pro forma basis. The components of the pro forma key figures included in the definitions below have been derived from the unaudited pro forma income statement information or net debt information, unless otherwise stated.

Key figure	Definition	Reason for the use
Net sales growth in constant currency	Net sales growth between financial years in reporting period's foreign exchange rates	Net sales growth in constant currency presents the development of Adapteo's net sales excluding the effect of foreign exchange rate fluctuations.
Rental sales growth in constant currency	Rental sales growth between financial years in reporting period's foreign exchange rates	Rental sales growth in constant currency presents the development of Adapteo's rental sales excluding the effect of foreign exchange rate fluctuations.
Operating profit (EBIT)[1]	Operating profit (EBIT) as presented in the pro forma income statement	Operating profit (EBIT) shows result generated by the operating activities.
EBITA[1]	Operating profit (EBIT) + amortisation and impairment on intangible assets resulting from acquisitions	EBITA is a result metric adjusted for amortisations and impairments resulting from acquisitions and better reflects the underlying business performance.
EBITDA[1]	Operating profit (EBIT) + depreciation, amortisation and impairments	EBITDA is the indicator to measure the performance of Adapteo. EBITDA also provides a proxy for cash flow generated by operations.
Items affecting comparability	Material items outside ordinary course of business, such as costs related to the contemplated listing, acquisition and integration related expenses, restructuring expenses including redundancy payments, impairment losses on goodwill and intangible assets recognised in business acquisitions, and gains and losses on business disposals.	Comparable EBIT, comparable EBITA and comparable EBITDA are presented in addition to EBIT, EBITA and EBITDA to reflect the underlying business performance and to enhance comparability from period to period. Adapteo believes that these adjusted performance measures provide meaningful supplemental information by excluding items outside normal business, which reduce comparability between the periods. Growth of comparable EBITDA is also one of Adapteo's long-term financial targets.
Comparable EBIT[1]	EBIT + items affecting comparability	
Comparable EBITA[1]	EBITA + items affecting comparability	
Comparable EBITDA[1]	EBITDA + items affecting comparability	
Net debt	Non-current and current borrowings - cash and cash equivalents — loan receivables - non-current and current finance lease receivables	Net debt is an indicator to measure the total external debt financing of Adapteo
Net debt / Comparable EBITDA	Net debt / Comparable EBITDA for the last 12 months	The ratio of net debt to comparable EBITDA helps to show financial risk level and it is a useful measure for management to monitor the company's indebtedness in relation to its earnings and is

Key figure	Definition	Reason for the use
		one of Adapteo's long-term financial targets.
Operating ROCE	Comparable EBITA for the last 12 months / Property, plant and equipment + investment in joint ventures + net working capital (based on carve-out balance sheet figures for FY2018) Net working capital = Non-current other receivables + inventories + trade and other receivables — non-current other liabilities — non-current and current, provisions — trade and other payables	Internal measure to evaluate return on capital employed and to analyse and compare different businesses and opportunities taking into account capital required. This ratio is also one of Adapteo's long-term financial targets.
Earnings per share	Profit for the period / average number of Adapteo's outstanding shares (number of Adapteo shares issued as a demerger consideration (44,682,697 pcs) used for all periods presented prior to the demerger date)	
Comparable earnings per share	Profit for the period excluding items affecting comparability, net of taxes and material impairment losses on property, plant and equipment, net of taxes / average number of Adapteo's outstanding shares (number of Adapteo shares issued as a demerger consideration (44,682,697 pcs) used for all periods presented prior to the demerger date)	
Utilisation rate	Average rented fleet during the period divided by total fleet available	Utilisation rate presents how large a portion of the fleet has on average been on rent. Utilisation rate is a useful indicator to monitor the efficiency of fleet management.
Total sqm of modules	–	Total sqm of modules is a useful indicator to monitor the size of the rental fleet.

[1] Corresponding margin has been calculated by dividing the measure with net sales.

Reconciliation of certain pro forma key figures

Reconciliation of pro forma operative comparable EBIT, comparable EBITA and comparable EBITDA

EUR millions or as indicated	Oct–Dec 2019	Oct–Dec 2018	Full Year 2019	Full Year 2018
Items affecting comparability				
Costs related to the listing	0.1	1.3	8.1	1.4
Acquisition and integration related expenses	0.7	3.0	2.3	3.8
Restructuring costs	0.3		2.1	
Items affecting comparability in EBIT	1.0	**4.3**	12.4	**5.2**
Acquisition related expenses in net finance costs		0.4		0.4
Total items affecting comparability	1.0	**4.7**	12.4	**5.6**
Operating profit (EBIT)	–3.9	**5.6**	22.1	**42.6**
Items affecting comparability in EBIT	1.0	4.3	12.4	5.2
Comparable EBIT	–2.8	**9.9**	34.6	**47.8**
Comparable EBIT margin, %	–5.7	**17.9**	16.0	**21.7**
Operating profit (EBIT)	–3.9	**5.6**	22.1	**42.6**
Amortisation of intangible assets resulting from acquisitions	0.7	0.7	2.6	2.8
EBITA	–3.2	**6.4**	24.8	**45.4**
Items affecting comparability in EBIT	1.0	4.3	12.4	5.2
Comparable EBITA	–2.2	**10.7**	37.2	**50.6**
Comparable EBITA margin, %	–4.4	**19.2**	17.2	**22.9**
Operating profit (EBIT)	–3.9	**5.6**	22.1	**42.6**
Depreciation, amortisation and impairments	23.5	10.6	54.0	35.8
EBITDA	19.6	**16.2**	76.1	**78.4**
Items affecting comparability in EBIT	1.0	4.3	12.4	5.2
Comparable EBITDA	20.6	**20.6**	88.5	**83.6**
Comparable EBITDA margin, %	**41.6**	**37.0**	**40.9**	**37.9**

Reconciliation of pro forma operative ROCE

EUR millions or as indicated	Full Year 2019	Full Year 2018
Net working capital	–16.7	–5.9
Property plant and equipment	451.1	423.3
Investments in joint ventures	1.2	1.2
Operative capital employed total	435.6	418.6
Comparable EBITA	37.2	50.6
Operative ROCE, %	**8.5**	**12.1**

Adapteo.