

# HALF- YEARLY REPORT

JANUARY–JUNE 2020

Adapteo is a leading Northern European company for adaptable buildings. We offer premium solutions to schools, daycare centres, offices, accommodation and events for temporary and permanent needs.

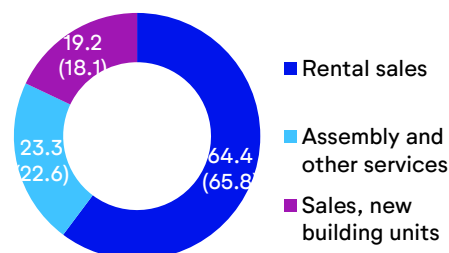
**Adapteo.**

# Resilient sales and earnings

## April–June 2020

- Rental sales amounted to EUR 32.8 (32.6) million. In constant currencies, rental sales were unchanged.
- Net sales amounted to EUR 57.8 (53.7) million. In constant currencies, net sales increased by 7%.
- Comparable EBITDA was EUR 21.8 (22.4) million. Comparable EBITDA margin was 37.7% (41.7%).
- Operating profit (EBIT) increased to EUR 10.7 (7.1) million, representing 18.6% (13.2%) of net sales. Operating profit (EBIT) included items affecting comparability of EUR -0.8 (-4.7) million.
- Operating cash flow before growth capex was EUR 26.1 (21.6) million.
- Growth capex was EUR 16.3 (11.5) million.
- Earnings per share was EUR 0.15 (0.10).

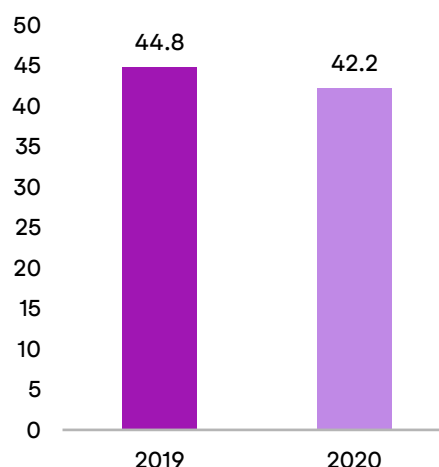
**Net sales**  
Jan–Jun, EUR million



## January–June 2020

- Rental sales amounted to EUR 64.4 (65.8) million. In constant currencies, rental sales decreased by 2%.
- Net sales amounted to EUR 106.9 (106.5) million. In constant currencies, net sales increased by 1%.
- Comparable EBITDA was EUR 42.2 (44.8) million. Comparable EBITDA margin was 39.5% (42.1%).
- Operating profit (EBIT) increased to EUR 20.2 (14.0) million, representing 18.9% (13.2%) of net sales. Operating profit (EBIT) included items affecting comparability of EUR -0.9 (-9.7) million.
- Operating cash flow before growth capex was EUR 34.0 (46.2) million.
- Operative return on capital employed (ROCE) amounted to 7.8% (8.5% full-year 2019).
- Net debt to comparable EBITDA was 4.6x.
- Growth capex was EUR 19.9 (22.3) million.
- Earnings per share was EUR 0.22 (0.19).

**Comparable EBITDA**  
Jan–Jun, EUR millions



## Significant events during the second quarter

- At Adapteo's Annual General Meeting (AGM) on 23 April all previous members of the Board of Directors were re-elected and Sophia Mattsson-Linnala and Ulf Wretskog were elected as new members of the Board of Directors. All until the end of the AGM 2021.
- On 23 April, the Board of Directors decided to form a Remuneration Committee with Peter Nilsson (chairman), Carina Edblad, and Andreas Philipson. The Board also decided to appoint Ulf Wretskog to member of the Audit Committee, in addition to Outi Henriksson (chairman) and Joakim Rubin.
- On 27 April, Adapteo announced its intention to concentrate the own production of adaptable buildings to the Group's production facility in Anneberg, Sweden. All employees at the plant in Gråbo were given notice of termination, with the intention to close production during the second half of 2020. The total cost of the close down is estimated not to exceed EUR 1.0 million and will be reported as items affecting comparability. Approximately half of the cost will affect cash flow.
- On 28 April, Adapteo appointed Erik Skånsberg as CFO and member of the Group Management Team. Mr Skånsberg had been interim CFO since November 2019.

## Key figures

Adapteo has during 2019 presented certain KPIs and other financial information for 2019 and 2018 on a pro forma basis to illustrate the impacts of the formation of Adapteo on 30 June 2019 through a demerger and related refinancing as well as the impacts of acquisition of Nordic Modular Group completed on 31 October

2018. Since the pro forma impacts for 2019 figures are not material, all KPIs and financial information for comparative year 2019 have been presented in this report as actual/carve-out financial information, unless otherwise stated.

EUR millions or as indicated	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019
Net sales	57.8	53.7	106.9	106.5	216.2
Net sales growth in constant currency, % <sup>1</sup>	6.7	1.9	0.6	1.6	-0.2
Rental sales	32.8	32.6	64.4	65.8	132.7
Rental sales growth in constant currency, % <sup>1</sup>	-0.1	4.9	-1.8	7.5	4.6
Comparable EBITDA <sup>6</sup>	21.8	22.4	42.2	44.8	88.5
Comparable EBITDA margin, % <sup>6</sup>	37.7	41.7	39.5	42.1	40.9
EBITDA	21.0	17.7	41.2	35.1	76.1
EBITDA margin, %	36.3	33.0	38.6	32.9	35.2
Comparable EBITA <sup>6</sup>	12.2	12.4	22.5	25.1	37.2
Comparable EBITA margin, % <sup>6</sup>	21.2	23.1	21.1	23.6	17.2
Comparable operating profit (EBIT) <sup>6</sup>	11.5	11.7	21.2	23.8	34.6
Comparable operating profit (EBIT) margin, % <sup>6</sup>	20.0	21.8	19.8	22.3	16.0
Operating profit (EBIT)	10.7	7.1	20.2	14.0	22.1
Operating profit (EBIT) margin, %	18.6	13.2	18.9	13.2	10.2
Profit for the period <sup>2</sup>	6.7	4.3	9.8	8.4	8.4
Earnings per share, EUR	0.15	0.10	0.22	0.19	0.19
Comparable earnings per share, EUR <sup>2</sup>	0.16	0.18	0.24	0.36	0.60
Net debt/comparable EBITDA	-	-	4.6	4.4 <sup>3</sup>	4.5
Operative ROCE, %	-	-	7.8	11.8 <sup>4</sup>	8.5
Operating cash flow before growth capex <sup>7</sup>	26.1	21.6	34.0	46.2	65.7
Cash conversion before growth capex, % <sup>7</sup>	119.8	96.7	80.5	103.1	74.2
Growth capex	16.3	11.5	19.9	22.3	29.1
Total sqm in building portfolio	1,036,018	997,007	1,036,018	997,007	1,009,986
Utilisation rate, %	79.9	84.9	80.0	85.2	84.4
Average rent per sqm (€/year)	156.8	154.9	156.0	156.9 <sup>5</sup>	158.7

<sup>1</sup> Sales information used in the calculation for comparison period 2018 takes into account the pro forma impact of NMG acquisition.

<sup>2</sup> On a pro forma basis profit for the period and comparable earnings per share were EUR 8.6 million and EUR 0.37 for Jan-Jun 2019 and EUR 8.6 million and EUR 0.61 for full year 2019. More information on pro forma information has been presented in the Appendix 2 to the Financial Statement Release published on 14 February 2020, available on the company's website.

<sup>3</sup> Annualised, Jan-Jun 2019 comparable EBITDA multiplied by two.

<sup>4</sup> Annualised, Jan-Jun 2019 comparable EBITA multiplied by two.

<sup>5</sup> Annualised, Jan-Jun 2019 rental revenue multiplied by two.

<sup>6</sup> The amounts of items affecting comparability for April-June 2019 and January-June 2019 has been restated during Q3/2019, for more information see Appendix 1.

<sup>7</sup> Restated due to correction made during Q4/2019 to the demerger date balance sheet at 30 June 2019, for more information see section Condensed half-year financial information.

# CEO Comments

## Stable development in adverse market conditions

During the second quarter of 2020, Adapteo's comparable EBITDA was 3% lower than in the second quarter of 2019 and higher than in the first quarter of 2020. Net sales increased by 7% in constant currencies year-on-year due to higher revenue from Assembly and other services as well as from Business Area Permanent Space. An intensified focus on our commercial excellence program – built on commercial offering optimisation, pricing excellence, sales force effectiveness, and brand equity growth – gradually is paying off.

Despite adverse market conditions due to the covid-19 outbreak, our operations in Germany, Sweden, and Finland demonstrated a steady performance during the quarter, strengthening our market positions. Rental sales were unchanged in constant currencies and amounted to EUR 32.8 million during the quarter, and were supported by our long contracts, good customer relations, and our strong business model that shows resilience even in these challenging times.

## Well-invested portfolio for tomorrow's requirements

During the end of 2019, we committed to investments in our rental portfolio, which has grown by a net of 40,000 square meters, or 4%, during the last twelve months. Portfolio utilisation was 80% at the end of June, on par with the preceding quarter, despite the portfolio expansion and weaker market conditions. The total number of leased square meters was on par with the previous year when the utilisation rate was 85%, which is an optimal level for our business and a figure we are striving for again. Growth capex increased to EUR 16.3 (11.5) million in the second quarter due to orders being placed before mid-March. Further capex has been committed for increasing our capacity in Germany due to the launch of the Hybrid system, our new energy efficient solution developed for the German market.

## Operational Excellence

We work continuously with our manufacturing network, cost base, and efficiency, and will as a result concentrate our inhouse production of adaptable buildings to the Group's production facility in Anneberg, Sweden. The planned change will mean that all 45 employees at the factory in Gråbo have been given notice of termination, and production is scheduled to close down during the second half of 2020. Furthermore, we are closing hubs and a warehouse to consolidate operational footprint, as well as taking out costs and reducing number of employees across the entire organisation along with other profit protection measures.

## Market uncertainty

The first half-year of 2020 was characterised by the outbreak of covid-19, with effects on both society and economy. As a result, the industry where Adapteo operates is showing tendencies of overcapacity and price competition, and in general lower price levels than at the beginning of the year.

## Dual listing

Since a large number of owners representing a significant part of total ownership of Adapteo reside in Finland, we have decided to list our shares also on Nasdaq Helsinki. Our ambition is for this to happen by mid-October. This will contribute to making Adapteo a better known company in one of its main markets and increase the liquidity of our share through trading in the share being made easier for our Finnish shareholders.

## A flexible real estate company positioned for growth

Predicting the future is more complex than ever. In a world that is becoming increasingly fast-paced, and where our society must have the ability to react to changing conditions quickly, flexibility is becoming increasingly important. As a flexible real estate company, we provide buildings that adapt to people and planet and enable societies to become resilient and sustainable. We pave the way for a growing segment of the construction and real estate industry that is more flexible, more efficient, and more sustainable, and we are true to our purpose - to build adaptable societies.

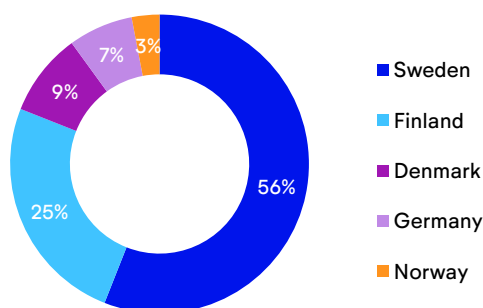
We have a built-in circular, sustainable, and resilient business model, a large well-invested rental portfolio to comply with the building requirements of tomorrow giving us a leading position in Northern Europe. Together with our strong liquidity and funding position, we are well-equipped to strengthening our competitiveness and coming out of these challenging times yet stronger than before.

**Philip Isell Lind af Hageby**  
President and CEO

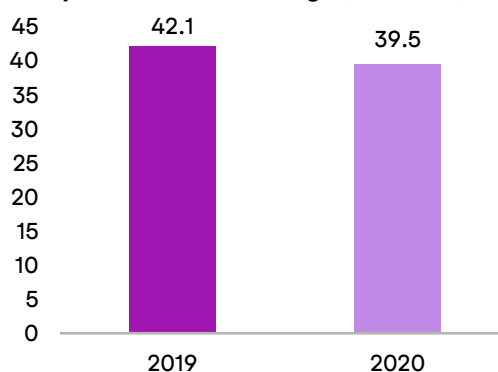


# Group performance

Geographical distribution (Net Sales %)



Comparable EBITDA margin, Jan–Jun, %



## Net sales

EUR millions	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019
Rental sales	32.8	32.6	64.4	65.8	132.7
Assembly and other services	14.3	11.9	23.3	22.6	55.8
Sales, new building units	10.7	9.2	19.2	18.1	27.7
<b>Total</b>	<b>57.8</b>	<b>53.7</b>	<b>106.9</b>	<b>106.5</b>	<b>216.2</b>

### April–June 2020

Adapteo's net sales for the second quarter grew by 8% to EUR 57.8 (53.7) million. In constant currencies, net sales increased by 7% compared to the corresponding period last year. Rental sales were unchanged in constant currencies. Market activity was significantly lower in the private sector while public sector activity was more diverse among countries. Though many expected projects did not come out for tender due to cancellations or postponement, Adapteo still captured new orders and delivered on previously received orders. For rental space, price pressure increased in all Nordic countries. Order intake in Permanent Space was good though project profitability was low in Finland. Due to investment decisions made before March, Adapteo's portfolio has grown by 2% from 31 March and stood at 1,036,018 square meters as of 30 June. Utilisation rate of the total portfolio was 79.9% during the quarter, which was on par with Q1 2020. Average rent per

square meter was to EUR 156.8 during the quarter, which was an increase from EUR 155.2 during Q1 2020. Sales in assembly and other services grew by 20% mainly driven by high volumes in Finland, Denmark and Germany. Sales of new building units increased from the previous year.

### January–June 2020

Adapteo's net sales for January-June was on par with Q1-Q2 last year at EUR 106.9 (106.5) million. In constant currencies, net sales increased by 1% compared to the corresponding period last year. Rental sales decreased by 2% in constant currencies. In all countries the private sector market came to almost to a standstill in mid-March while the public sector market started to see many postponements. Utilisation rate of the total portfolio stood at 80% during the first half-year. Average rent per square meter was EUR 156.0 during the first half-year.

## Result

### April–June 2020

Adapteo's comparable EBITDA for April-June decreased by 3% to EUR 21.8 (22.4). The comparable EBITDA margin decreased to 37.7% (41.7%) due to the larger proportion of revenue from assembly and other services in Q2 2020. Compared to Q2 2019, comparable EBITDA decreased in business areas Rental Space and Permanent Space while lower costs for group functions contributed positively. Within Rental Space, development in Finland and Sweden had a positive effect on profitability.

Depreciation, amortisation and impairment on property, plant, and equipment and on intangibles totalled EUR 10.2 (10.7) million during April-June. Amortisation resulting from acquisitions was EUR 0.7 (0.7) million during the second quarter.

Operating profit (EBIT) amounted to EUR 10.7 (7.1) million. Operating profit (EBIT) included items affecting comparability of EUR 0.8 (4.7) million, of which most was from acquisition-related activities. During the comparison period, items affecting comparability included costs for the primary stock exchange listing of Adapteo as well as costs related to the integration and restructuring of NMG.

Net financial expenses were EUR -2.0 (-1.5) million. April-June profit before taxes totalled EUR 8.7 (5.6) million and profit for the period was EUR 6.7 (4.3) million. Earnings per share was EUR 0.15 (0.10).

### January–June 2020

Adapteo's comparable EBITDA for January-June decreased by 6% to EUR 42.2 (44.8). The comparable EBITDA margin decreased to 39.5% (42.1). Compared to Q1-Q2 2019, comparable EBITDA decreased in business areas Rental Space and Permanent Space while lower costs for group functions contributed positively. Within Rental Space, development in Finland and Sweden had a positive effect on profitability.

Depreciation, amortisation and impairment on property, plant, and equipment and on intangibles totalled EUR 21.0 (21.0) million during January-June. Amortisation resulting from acquisitions was EUR 1.4 (1.3) million during the first half-year.

Operating profit (EBIT) amounted to EUR 20.2 (14.0) million. Operating profit (EBIT) included items affecting comparability of EUR 0.9 (9.7) million, of which most was from acquisition-related activities. During the comparison period, items affecting comparability included costs for the primary stock exchange listing of Adapteo as well as costs related to the integration and restructuring of NMG.

Net financial expenses were EUR -5.6 (-3.4) million. The increase was mainly a result of the negative foreign exchange rate impact from cash equivalents, interest-bearing assets and liabilities, and related foreign currency hedges. January-June profit before taxes totalled EUR 14.6 (10.6) million and profit for the period was EUR 9.8 (8.4) million. Earnings per share was EUR 0.22 (0.19).

## Capital expenditure

Adapteo's April-June net capex totalled EUR 22.1 (20.1) million. Net fleet capex amounted to EUR 20.8 (15.9) million, of which growth capex was EUR 16.3 (11.5) million. Non-fleet capex was lower than in Q2 2019 due to setting up structures for the new company in the first half-year of 2019. Growth capex increased due to orders placed before the outbreak of covid-19 on the back of expectations for higher market demand in Finland and Sweden.

January-June net capex totalled EUR 32.8 (36.7) million. Net fleet capex amounted to EUR 30.6 (28.0)

million, of which growth capex was EUR 19.9 (22.3) million. Non-fleet capex was lower in both Q1 and Q2 2020 than in the corresponding periods 2019 due to setting up structures for the new company in the first half-year of 2019. Growth capex increased due to orders placed before the outbreak of covid-19 on the back of expectations for higher market demand in Finland and Sweden.

## Cashflow, financing and balance sheet

In January-June, net cash inflow from operating activities was lower at EUR 40.2 (46.1) million, mainly due to a smaller decrease in net working capital and net finance costs being higher. Net working capital decreased by EUR 4.7 (16.0) million. The first half-year of 2020 saw decreases of both accounts payable and accounts receivable, while the corresponding period last year saw an increase in accounts payable.

On 30 June 2020, borrowings totalled EUR 447.4 million (on 31 March 2020 EUR 411.9 million). Net debt totalled EUR 397.2 million (on 31 March 2020 EUR 398.9 million). Net debt to comparable EBITDA was 4.6x. Adapteo has a EUR 500 million loan agreement of which EUR 400 million is a term loan. EUR 100 million is a

revolving credit facility, of which EUR 65 million was undrawn. The loan agreement contains quarterly monitored financial covenants which the company is fully compliant with. The EUR 400 million term loan was drawn on 1 July 2019 and has a maturity of three years. Adapteo's liquidity and funding position remains at a good level. Cash and cash equivalents amounted to EUR 42.5 million (on 31 March 2020 EUR 5.0 million). In addition, Adapteo has a EUR 20 million overdraft facility until further notice, which was unused as of 30 June 2020.

Property, plant and equipment amounted to EUR 461.0 million (on 31 March 2020 EUR 438.1 million). Total

assets were EUR 776.2 million (on 31 March 2020 EUR 712.9 million).

Operative return on capital employed (ROCE) for January–June amounted to 7.8% (8.5% for full-year

2019). Both measures include a net write-down of assets of EUR 8.7 million in Q4 2019. Adapteo’s long-term financial target is to have operative ROCE above 10%.

## Business area performance

Adapteo has two primary reporting segments: Business Area Rental Space and Business Area Permanent Space. It has operations in five geographical areas: Sweden, Finland, Norway, Denmark and Germany. Business Area

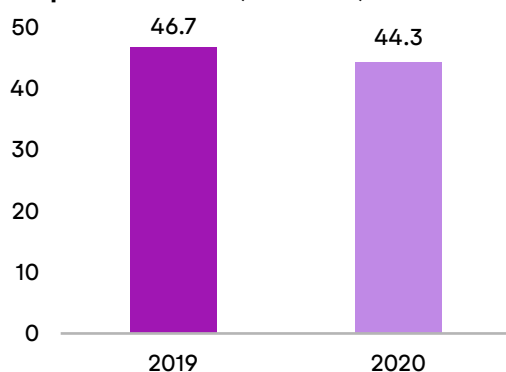
Rental Space includes the rental of adaptable buildings as well as the provision of assembly and other services. Business Area Permanent Space includes sales and long-term leasing of adaptable buildings.

### Business Area Rental Space

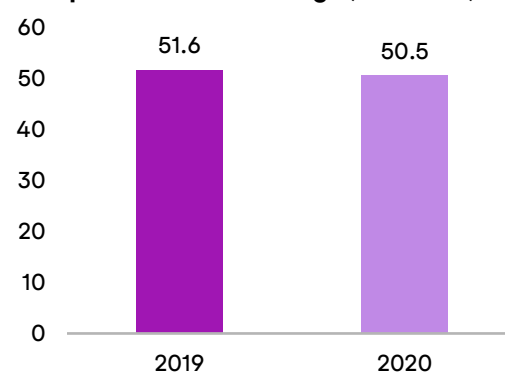
In Business Area Rental Space, Adapteo provides adaptable buildings to different types of customers, predominantly public-sector customers such as municipalities, regions, and government bodies, as well as to private-sector customers such as industrial companies and private enterprises. Adapteo addresses

demand for space primarily in social infrastructure such as schools, daycare centres, and health and social care, as well as for offices, exhibitions and other temporary needs. The majority of Business Area Rental Space’s customers operate in the public sector.

#### Comparable EBITDA, Jan–Jun, EUR millions



#### Comparable EBITDA margin, Jan–Jun, %



EUR millions or as indicated	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019
Rental sales	32.2	32.5	63.3	65.7	129.2
Assembly and other services	14.2	11.9	23.0	22.6	55.8
Sales, new building units	0.0	0.3	1.4	2.1	1.0
<b>External sales</b>	<b>46.5</b>	<b>44.7</b>	<b>87.7</b>	<b>90.4</b>	<b>186.0</b>
Inter-segment sales	-	-	0.0	-	-
<b>Net sales</b>	<b>46.5</b>	<b>44.7</b>	<b>87.8</b>	<b>90.4</b>	<b>186.0</b>
Comparable EBITDA	23.0	24.1	44.3	46.7	92.3
EBITDA	22.9	24.1	44.2	45.8	91.2
Comparable EBITDA margin, %	49.6	53.9	50.5	51.6	49.7
EBITDA margin, %	49.2	53.9	50.3	50.6	49.0

#### Performance in April–June 2020

Net sales in Business Area Rental Space increased by 4% to EUR 46.5 (44.7) million. Rental sales decreased by 1%, while assembly and other services increased by 19%. Comparable EBITDA decreased by 5% to EUR 23.0 (24.1) million, excluding EUR -0.2 (0.0) million of items affecting comparability.

In Sweden, intake of new orders was slower than anticipated but some large orders were delivered, resulting in more square meters going out than coming back as well as giving high assembly revenue. Competition has sharpened, not least due to general overcapacity in covid-19 times. Rental rates were under pressure and margins on assembly services were very thin. Private-sector demand was marginal while public-

sector demand did not see any major negative impact. In Finland returns of square meters were larger than deliveries, with an increase compared to Q1 last year in disassembly services. Private-sector demand was non-existent while public-sector demand saw delayed processes. In Denmark returns have outnumbered deliveries and with overcapacity in the industry prices are under pressure. Notable here was the shortfall of revenue for workers' accommodation. Also the market in Norway saw increasing price pressure due to overcapacity in the industry. In Germany Adapteo recorded a stable growth in rental sales on the back of good market demand from the public sector, while all events and other private-sector business was on hold.

## Business Area Permanent Space

In Business Area Permanent Space, Adapteo provides mainly tailor-made pre-fabricated adaptable buildings for sale or long-term leasing to public- and private-sector customers. Adapteo provides turnkey solutions, built with a modular construction technique and manufactured in a

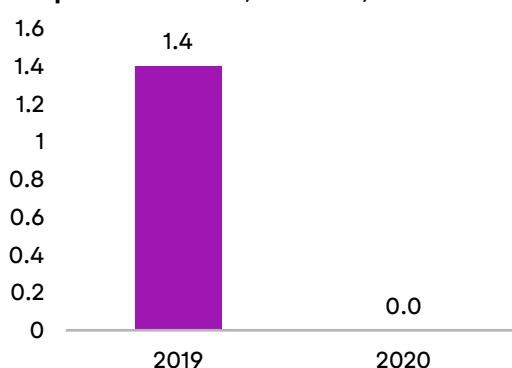
## Performance in January–June 2020

Net sales decreased by 3% to EUR 87.8 (90.4) million. Rental sales decreased by 4%, while assembly and other services increased by 2%. Comparable EBITDA decreased by 5% to EUR 44.3 (46.7) million, excluding EUR -0.2 (-0.9) million of items affecting comparability.

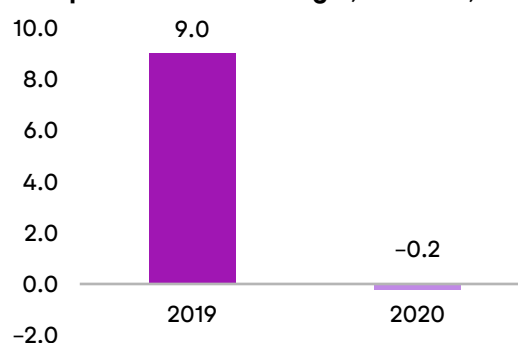
In Sweden, Q1 and the first half-year in total saw more square meters coming back than going out while the reverse was true for Q2. Price pressure has continued through Q1 and Q2. Also Finland has seen an increasing price pressure, but also on average larger projects with longer rental periods. In Denmark and Norway price pressure has increased markedly due to a general overcapacity in the industry. In Germany Adapteo is growing its rental sales quarter-on-quarter due to good public-sector demand.

controlled indoor environment with a short time to delivery. The adaptable buildings in this business area are equal to site-built buildings in their characteristics and comply with permanent building requirements.

### Comparable EBITDA, Jan–Jun, EUR millions



### Comparable EBITDA margin, Jan–Jun, %



EUR millions or as indicated	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019
Rental sales	0.6	0.0	1.0	0.1	3.5
Assembly and other services	0.0	-	0.3	0.0	-
Sales, new building units	10.6	9.0	17.7	16.0	26.7
<b>External net sales</b>	<b>11.3</b>	<b>9.0</b>	<b>19.1</b>	<b>16.1</b>	<b>30.3</b>
Inter-segment sales	1.9	2.1	5.6	7.6	22.2
Comparable EBITDA	-0.2	0.3	0.0	1.4	1.4
EBITDA	-0.3	0.3	-0.1	0.8	0.8
Comparable EBITDA margin, % <sup>1</sup>	-1.8	3.7	-0.2	9.0	4.7
EBITDA margin, % <sup>1</sup>	-2.4	3.5	-0.5	5.1	2.6

<sup>1</sup>External sales

## Performance in April–June 2020

External net sales in Business Area Permanent Space increased by 26% to EUR 11.3 (9.0) million. Comparable EBITDA decreased to EUR -0.2 million from EUR 0.3 million in Q2 2019, excluding EUR -0.1 (0.0) million of items affecting comparability.

Sweden saw an increased number of square meters delivered with a corresponding increase in revenue, especially since many projects in the quarter demanded higher technical solutions and more customisation. Sales efforts focused on projects that are a better fit for the specific production facility in Anneberg. The external



order book was at a good level at the end of the quarter. Operational efficiency efforts have resulted in lower costs. Labour absence was significant at the onset of covid-19, but stabilised during the second quarter. Planning is progressing on the closure of production for Adapteo's internal supply of building units at the Gråbo factory and factory closure will take place in the second half of 2020. In Finland there are signs of new entrants into the market, but Adapteo is gaining market reputation and is now invited to bid on larger projects than before. Market demand has slowed down due to covid-19 but new projects have been won during the quarter. A catch-up on cost overruns affected profitability negatively.

## Personnel

At the end of the period, the number of employees in Adapteo Group was 407, compared to 396 at 31 March 2020 and 376 at the end of 2019.

## Significant events after the reporting period

- Oslo Municipality has awarded Adapteo, together with three other companies, the framework agreement as supplier of new adaptable school buildings across the Oslo region. The new

agreement is for a two-year period with an option for a two-year extension. The contract period starts in August 2020.

## Governance

Pursuant to the provisions of the Finnish Companies Act and Adapteo's Articles of Association, 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 shareholders participate 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. The most recent Annual General

Meeting was held on 23 April 2020. 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 seven (7); and consists of Peter Nilsson as Chairman and Carina Edblad, Outi Henriksson, Sophia Mattsson-Linnala, Andreas Philipson, Joakim Rubin, and Ulf Wretskog as members of the Board of Directors of Adapteo, all being elected by the 23 April 2020 Annual General Meeting.

## Current incentive schemes

On 26 May 2020, the Board of Directors of Adapteo Plc announced that it has decided to utilise the current authorisation given by the Annual General Meeting (AGM) to repurchase own shares and the repurchased shares will be used for honouring share-based incentive programs for employees of the company. The repurchases ended on 4 June 2020. During this period, Adapteo repurchased 51,000 shares, corresponding to about 0.1 per cent of the total number of shares and votes.

On 11 June 2020 Adapteo Plc transferred a net amount of 663 of its own shares held by the company as treasury shares without consideration to the participants of the employee share savings plan introduced for Cramo Group employees in 2016. After the share delivery, Adapteo holds a total of 50,337 treasury shares on 30 June 2020, corresponding to about 0.1 per cent of the total number of shares and votes.

In addition, one of the Cramo's performance share plans was settled during the second quarter. The rewards were paid in both in Adapteo shares and cash. The participants were entitled to get a gross amount of shares, but a portion of shares was withheld to cover applicable taxes arising from the rewards to the participants. Taxes were paid on behalf of the participants and the participants received a net amount of shares. No Cramo shares were paid to the participants, instead the value of those Cramo shares were paid as cash to the participants based on the bidding price of Cramo of EUR 13.75 per share. The net amount of 9,685 Adapteo shares were purchased from the market by an outside service provider and paid to the plan participants on 15 April 2020.

Old employee share savings plans (One Cramo 2017-2018, One Cramo 2019) transferred from Cramo are treated as equity-settled and partly as cash-settled and the rewards are paid in both Adapteo and Cramo shares.

During the second quarter 2020, it was decided that the part of rewards settled as Cramo shares were paid out to the participants on an accelerated schedule to the participants of Cramo's employee share savings plans.

Cramo share part in the other old performance shares plans transferred from Cramo will be paid in cash according to the bid price EUR 13.75 per share according to the original plan schedule.

## Covid-19 impact and other risks and uncertainties

The second quarter 2020 is the first full quarter with Adapteo's customers being affected by covid-19. The overall conclusion is that all of Adapteo's business units have seen negative effects but that the impact on sales and earnings have not been highly significant. This reflects the resilience of Adapteo's business model with long-term rental contracts and the underlying demand, especially in the public sector, for adaptable buildings.

In business area Rental Space, all five geographical markets have seen very low demand from the private sector. The events business came to a halt in mid-March and has shown no activity since then. Demand for workers' accommodation and office space has been very low as many projects have been postponed or cancelled. Public sector demand has been lower than in the second quarter of previous years. This is an effect of municipalities and governments having other priorities on their agenda as well as general caution.

Adapteo has received orders for rental space due to the covid-19 situation from hospitals and care providers. Such orders have not had a significant impact on the group's financial performance in the second quarter.

In business area Permanent Space, which focuses on the public sector, demand has been slower than anticipated with many customers postponing previously

decided projects. In Sweden, however, Adapteo has seen a positive impact from its frame agreement with Sweden's Municipalities and Regions (Swe: SKR).

Since the outbreak of the covid-19 pandemic in Northern Europe in March 2020, Adapteo is monitoring its impact on markets, employees and business processes. Continuity plans are being continuously reviewed, processes are being optimised, and every activity is evaluated from a cost and risk perspective in order to mitigate the negative financial effects associated with the outbreak of covid-19 in the best possible way.

Adapteo makes financial forecasts on a monthly basis for all of its cash-generating units. These forecasts have not resulted in any asset impairments being identified. Nor have cashflow projections for the group resulted in any doubt about the group's ability to meet its future payment obligations.

Adapteo is consistent in its enterprise risk management with risk identification, risk assessment, risk management, risk monitoring, and risk reporting. The 2019 Annual Report presents the group's risk management on pages 51-53. The future impact of covid-19 is an additional risk area being identified after the publication of the Annual Report.

## 2020 market outlook

The starting point for the second half-year 2020 for Adapteo is an industry which is currently characterised by overcapacity and in general lower price levels than at the beginning of the year, with local significant price

competition. Factors of weight include public- and private-sector budgets, focus of attention, and business activity in general.

## Seasonal variations

Seasonal variations in the company's sales and earnings are not large due to the large share of both being generated by rental sales with long contract periods. Assembly revenue is typically at its highest during school and daycare vacation periods in the summer and around New Year. Sales of new building units tend to follow the same pattern. Due to the low margins on assembly

revenue, this seasonal pattern is more pronounced for sales than for earnings.

Cash flow varies more over the quarters with variations mainly driven by a seasonal pattern of growth capex. The company will typically see a peak of deliveries of new building units, with the corresponding growth capex, in Q2 as a preparation for the peak assembly season in Q3. Growth capex is at its lowest in Q4.

## Auditors' review

The condensed half-year financial information in this report has been reviewed, not audited, by the auditors of the company.

## Financial calendar

- Business Review January-September 2020: 18 November

# H1 presentation on 7 August

A conference call with a presentation for investors, analysts and media will be held at 09.00 CEST on 7 August 2020. For details, please refer to [www.adapteogroup.com/investors/financial-report/](http://www.adapteogroup.com/investors/financial-report/)

## Stockholm, 7 August 2020

On behalf of the Board of Directors of Adapteo Plc

Philip Isell Lind af Hageby

President and CEO, Adapteo Plc

## Further information:

Philip Isell Lind af Hageby, President and CEO, tel. +46 73 022 19 36

Erik Skånsberg, CFO, tel. +46 702 647 035

Distribution:

Nasdaq Stockholm

Main media

[www.adapteogroup.com](http://www.adapteogroup.com)

### Adapteo in brief

Adapteo is a leading Northern European company for adaptable buildings. We build, rent out and sell buildings for schools, daycare centres, offices, elderly care and events for both temporary and permanent needs. Whatever the future brings, we believe that adaptability is the best solution. With our buildings, we can transform, repurpose, scale up and scale down in a matter of weeks by using a modular and circular building concept. Our buildings can be used for a few days or indefinitely, always optimised for current needs. That is how we build adaptable societies.

Adapteo is listed on Nasdaq Stockholm and operates in Sweden, Finland, Norway, Denmark and Germany. In 2019, Adapteo's Net sales were EUR 216 million.

[www.adapteogroup.com](http://www.adapteogroup.com)

# FINANCIAL INFORMATION

# Condensed half-year financial information

## Consolidated income statement

EUR thousands	Note	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019
<b>Net sales</b>	<b>4</b>	<b>57,778</b>	<b>53,685</b>	<b>106,859</b>	<b>106,530</b>	<b>216,213</b>
Other operating income		400	1,723	1,287	2,691	5,395
Materials and services		-24,400	-19,882	-41,390	-37,066	-78,901
Employee benefit expenses		-7,854	-8,363	-14,935	-17,476	-33,089
Other operating expenses		-4,932	-9,448	-10,566	-19,626	-33,538
Depreciation, amortisation and impairments		-10,243	-10,657	-21,030	-21,043	-53,954
Share of profit of joint ventures		-	7	-9	14	16
<b>Operating profit (EBIT)</b>		<b>10,748</b>	<b>7,065</b>	<b>20,217</b>	<b>14,023</b>	<b>22,142</b>
Finance income		934	39	3,570	68	3,037
Finance costs		-2,971	-1,512	-9,197	-3,457	-10,787
<b>Finance costs, net</b>		<b>-2,036</b>	<b>-1,473</b>	<b>-5,628</b>	<b>-3,389</b>	<b>-7,750</b>
<b>Profit before taxes</b>		<b>8,712</b>	<b>5,592</b>	<b>14,589</b>	<b>10,634</b>	<b>14,392</b>
Income taxes		-2,039	-1,246	-4,772	-2,254	-6,001
<b>Profit for the period</b>		<b>6,673</b>	<b>4,346</b>	<b>9,817</b>	<b>8,380</b>	<b>8,392</b>
Attributable to owners of the parent		6,673	4,346	9,817	8,380	8,392
Earnings per share, basic, EUR <sup>1</sup>		0.15	0.10	0.22	0.19	0.19
Earnings per share, diluted, EUR <sup>1</sup>		0.15	0.10	0.22	0.19	0.19

<sup>1</sup> Calculated using the number of Adapteo's shares issued as demerger consideration of 44,682,697 for all periods presented prior to the demerger.

## Consolidated statement of comprehensive income

EUR thousands	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019
<b>Profit for the period</b>	<b>6,673</b>	<b>4,346</b>	<b>9,817</b>	<b>8,380</b>	<b>8,392</b>
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Translation differences	15,612	-3,923	-1,621	-6,022	-3,814
Other comprehensive income for the year, net of tax	15,612	-3,923	-1,621	-6,022	-3,814
<b>Total comprehensive income for the period</b>	<b>22,286</b>	<b>423</b>	<b>8,195</b>	<b>2,358</b>	<b>4,578</b>
Attributable to owners of the parent	22,286	423	8,195	2,358	4,578

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	30 Jun 2020	30 Jun 2019	31 Dec 2019
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5	460,953	446,270	451,057
Goodwill		170,321	169,329	171,019
Other intangible assets		24,197	26,159	24,858
Investments in joint ventures		1,223	1,222	1,239
Deferred tax assets		2,784	3,728	7,414
Finance lease receivables	6	2,915	4,625	3,919
Loan receivables	6	148	218	220
Other receivables		746	393	746
<b>Total non-current assets</b>		<b>663,286</b>	<b>651,945</b>	<b>660,471</b>
<b>Current assets</b>				
Inventories		4,352	6,776	4,372
Finance lease receivables	6	4,585	5,380	4,314
Trade and other receivables		57,956	56,351	70,707
Income tax receivables		3,413	4,757	3,181
Derivative financial instruments		53	-	201
Cash and cash equivalents	6	42,536	79	3,760
<b>Total current assets</b>		<b>112,895</b>	<b>73,344</b>	<b>86,537</b>
<b>TOTAL ASSETS</b>		<b>776,181</b>	<b>725,289</b>	<b>747,008</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Total equity</b>		<b>197,923</b>	<b>187,431<sup>1</sup></b>	<b>190,186</b>
<b>Non-current liabilities</b>				
Borrowings	6	411,019	380,998	410,488
Deferred tax liabilities		42,421	42,927	48,025
Derivative financial instruments		290	-	-
Provisions		262	92	263
Other liabilities		406	-	406
<b>Total non-current liabilities</b>		<b>454,397</b>	<b>424,016</b>	<b>459,182</b>
<b>Current liabilities</b>				
Borrowings	6	36,378	25,615	1,564
Trade and other payables		79,489	84,973 <sup>1</sup>	91,828
Income tax liabilities		7,661	2,952	3,530
Derivative financial instruments		332	-	718
Provisions		-	301	-
<b>Total current liabilities</b>		<b>123,860</b>	<b>113,841</b>	<b>97,639</b>
<b>Total liabilities</b>		<b>578,258</b>	<b>537,858</b>	<b>556,822</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>776,181</b>	<b>725,289</b>	<b>747,008</b>

<sup>1</sup> Total equity and trade and other payables as at 30 June 2019 have been adjusted by EUR 662 thousand compared to information published in Half-Year Financial Report January-June 2019 due to corrections made during Q4/2019 to the balance sheet at the demerger date 30 June 2019.

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

## Consolidated statement of changes in equity

EUR thousands	Attributable to owners of Adapteo						Total equity
	Invested equity	Share capital	Treasury shares	Reserve for unrestricted equity	Retained earnings	Translation differences	
At 1 January 2019	214,487	-	-	-	-	140	214,627
IFRS 16 transition	-	-	-	-	-	-	-
<b>At 1 January 2019 adjusted</b>	<b>214,487</b>	-	-	-	-	<b>140</b>	<b>214,627</b>
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 <sup>1</sup>	115,513 <sup>1</sup>	-	-48,497
<b>At 30 June 2019</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>67,799</b>	<b>115,513</b>	<b>-5,881</b>	<b>187,431<sup>1,2,3</sup></b>
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
<b>At 31 December 2019</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>67,799</b>	<b>116,060</b>	<b>-3,674</b>	<b>190,186</b>
Profit for the period	-	-	-	-	9,817	-	9,817
Other comprehensive income							
Translation differences	-	-	-	-	-	-1,621	-1,621
Total comprehensive income	-	-	-	-	9,817	-1,621	8,195
Share-based payments	-	-	-	-	-83	-	-83
Purchase of treasury shares	-	-	-376 <sup>4</sup>	-	-	-	-376
<b>At 30 June 2020</b>	<b>-</b>	<b>10,000</b>	<b>-376</b>	<b>67,799</b>	<b>125,795</b>	<b>-5,295</b>	<b>197,923</b>

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Total equity and trade and other payables as at 30 June 2019 have been adjusted by EUR 662 thousand compared to information published in Half-Year Financial Report January-June 2019 due to corrections made during Q4/2019 to the balance sheet at the demerger date 30 June 2019.

<sup>4</sup> During second quarter 2020 Adapteo has repurchased own shares which will be used for honouring share-based incentive plans for employees of the company. Shares have been acquired through on Nasdaq Stockholm at the market price prevailing at the time of repurchase.

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

## Consolidated statement of cash flows

EUR thousands	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019
<b>Cash flow from operating activities</b>			
Profit before taxes	14,589	10,634	14,392
Adjustments			
Depreciation, amortisation and impairment	21,030	21,043	53,953
Share of profit of joint ventures	9	-14	-16
Other non-cash adjustments	643	-641	-669
Net gain on sale of property, plant and equipment	-715	-903	-3,267
Share-based payments	-83	136	342
Finance costs, net	5,628	3,389	7,750
Cash generated from operations before changes in working capital	41,101	33,645	72,486
Change in working capital			
Change in inventories	-3	-1,886	2,342
Change in trade and other receivables	16,092	-239	-16,083
Change in trade and other payables	-11,417	18,091 <sup>1</sup>	30,973
Change in working capital	4,673	15,966	17,232
Change in finance lease receivables	671	501	2,271
Cash generated from operations before financial items and tax	46,445	50,112	91,989
Interest paid	-4,441	-2,936	-6,677
Interest received	53	17	411
Other financial items, net	-131	972	-2,983
Income taxes paid	-1,704	-2,053	-2,614
<b>Net cash inflow from operating activities</b>	<b>40,222</b>	<b>46,112</b>	<b>80,126</b>
<b>Cash flow from investing activities</b>			
Payments for property, plant and equipment	-35,570	-39,504	-76,604
Payments for intangible assets	-935	-345	-424
Proceeds from sale of property, plant and equipment and intangible assets	2,551	4,907	12,392
Repayment of loan receivable from joint venture	70	-	-
Acquisition of subsidiaries and business operations, net of cash acquired	-	-751	-751
<b>Net cash (outflow) from investing activities</b>	<b>-33,884</b>	<b>-35,693</b>	<b>-65,386</b>
<b>Cash flow from financing activities</b>			
Purchase of treasury shares	-376	-	-
Repayments of demerger related liabilities to Cramo Plc	-	-	-28,514
Proceeds from bank loans	-	53,000	453,000
Repayment of bank loans	-	-71,832	-439,832
Change in other current borrowings	35,000	-2,769	-5,012
Net proceeds from/repayment of (-) in loans from Cramo Group	-	-12,248	-12,248
Lease payments	-2,180	-2,608	-3,817
Equity financing with Cramo Group, net	-	23,798 <sup>1</sup>	23,136
<b>Net cash inflow from financing activities</b>	<b>32,444</b>	<b>-12,659</b>	<b>-13,287</b>
Change in cash and cash equivalents	38,782	-2,240	1,453
Cash and cash equivalents at beginning of period	3,760	2,377	2,377
Exchange differences	-6	-58	-70
<b>Cash and cash equivalents at end of period</b>	<b>42,536</b>	<b>79</b>	<b>3,760</b>

<sup>1</sup> Total equity and trade and other payables in the demerger date 30 June 2019 have been adjusted by EUR 662 thousand compared to information published in Half-Year Financial Report January-June 2019.

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



# Notes to the condensed half-year 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 Adapteo Plc. Thus, Adapteo has not formed a separate legal group before 30 June 2019.

Financial information for January-June 2020 is based on the actual consolidated figures. The comparative figures for the six months period ended 30 June 2019 have 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 consolidated financial information for the year ended 31 December 2019 is a combination of actual consolidated financial information as from the demerger date 30 June 2019 and carve-out financial information prior to the demerger date.

## 2. Accounting policies

This condensed half-year financial information for 1 January to 30 June 2020 has been prepared in accordance with IAS 34 Interim Financial Reporting, applying the same accounting policies as in the audited Consolidated financial statements as at and for the year ended 31 December 2019.

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

This condensed half-year financial information has been reviewed, not audited by the auditors and was authorised for issue by Adapteo's Board of Directors on 7 August 2020.

## 3. Covid-19 impact on accounting and other risks and uncertainties

Adapteo is now reporting its first full quarter with its customers being affected by covid-19. The overall conclusion is that all of Adapteo's business units have seen negative effects but that the impact on sales and earnings have not been highly significant.

Since the outbreak of the covid-19 pandemic in Northern Europe in March 2020, Adapteo is monitoring its impact on markets, employees and business processes. Continuity plans are being continuously reviewed, processes are being optimised, and every activity is evaluated from a cost and risk perspective in order to mitigate the negative financial effects associated with the outbreak of covid-19 in the best possible way. Adapteo makes financial forecasts on a monthly basis for all of its cash-generating units. These forecasts have not resulted in any asset impairments being identified. Nor have cashflow projections for the group resulted in any doubt about the group's ability to meet its future payment obligations.

Adapteo is consistent in its enterprise risk management with risk identification, risk assessment, risk management, risk monitoring, and risk reporting. The 2019 Annual Report presents the group's risk management on pages 51-53. The future impact of covid-19 is an additional risk area being identified after the publication of the Annual Report.

## 4. Segment information

Adapteo offers rental of premium adaptable buildings and rental related services and sells new adaptable buildings. 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 adaptable buildings as well as the provision of assembly and other services. Business Area Permanent Space includes sales and long-term leasing of adaptable buildings.

The tables below present segment information for Adapteo's business areas for the periods presented:

EUR thousands	Rental Space	Permanent Space	Group functions	Eliminations	Group total
Apr-Jun 2020					
<b>Net sales by business area</b>					
Rental sales	32,225	615	-	-	32,840
Assembly and other services	14,231	21	-	-	14,252
Sales, new building units	43	10,642	-	-	10,685
<b>Total external net sales</b>	<b>46,500</b>	<b>11,277</b>	<b>-</b>	<b>-</b>	<b>57,778</b>
Inter-segment sales	-	1,872	-	-1,872	-
<b>Net sales</b>	<b>46,500</b>	<b>13,149</b>	<b>-</b>	<b>-1 872</b>	<b>57,778</b>
<b>Comparable EBITDA</b>					
<b>Comparable EBITDA</b>	<b>23,050</b>	<b>-203</b>	<b>-919</b>	<b>-151</b>	<b>21,777</b>
Total items affecting comparability	-159	-67	-559	-	-785
<b>EBITDA</b>	<b>22,891</b>	<b>-270</b>	<b>-1,478</b>	<b>-151</b>	<b>20,992</b>
Depreciation, amortisation and impairments					-10,243
<b>Operating profit (EBIT)</b>					<b>10,748</b>
EUR thousands	Rental Space	Permanent Space	Group functions	Eliminations	Group total
Jan-Jun 2020					
<b>Net sales by business area</b>					
Rental sales	63,306	1,044	-	-	64,350
Assembly and other services	23,004	331	-	-	23,335
Sales, new building units	1,435	17,739	-	-	19,174
<b>Total external net sales</b>	<b>87,745</b>	<b>19,114</b>	<b>-</b>	<b>-</b>	<b>106,859</b>
Inter-segment sales	21	5,618	-	-5 639	-
<b>Net sales</b>	<b>87,767</b>	<b>24,732</b>	<b>-</b>	<b>-5 639</b>	<b>106,859</b>
<b>Comparable EBITDA</b>					
<b>Comparable EBITDA</b>	<b>44,335</b>	<b>-37</b>	<b>-1,831</b>	<b>-281</b>	<b>42,186</b>
Total items affecting comparability	-159	-67	-713	-	-939
<b>EBITDA</b>	<b>44,176</b>	<b>-104</b>	<b>-2,544</b>	<b>-281</b>	<b>41,247</b>
Depreciation, amortisation and impairments					-21,030
<b>Operating profit (EBIT)</b>					<b>20,217</b>

EUR thousands	Rental Space	Permanent Space	Group functions	Eliminations	Group total
Apr-Jun 2019					
<b>Net sales by business area</b>					
Rental sales	32,513	40	-	-	32,553
Assembly and other services	11,898	-	-	-	11,898
Sales, new building units	275	8,959	-	-	9,234
<b>Total external net sales</b>	<b>44,686</b>	<b>9,000</b>	-	-	<b>53,685</b>
Inter-segment sales	-	2,079	-	-2,079	-
<b>Net sales</b>	<b>44,686</b>	<b>11,079</b>	-	<b>-2,079</b>	<b>53,685</b>
<b>Comparable EBITDA<sup>1</sup></b>	<b>24,101</b>	<b>332</b>	<b>-2,053</b>	-	<b>22,380</b>
Total items affecting comparability <sup>1</sup>	-	-15	-4,642	-	-4,657
<b>EBITDA</b>	<b>24,101</b>	<b>317</b>	<b>-6,695</b>	-	<b>17,723</b>
Depreciation, amortisation and impairments					-10,657
<b>Operating profit (EBIT)</b>					<b>7,065</b>

<sup>1</sup> The amounts of items affecting comparability for April-June 2019 and January-June 2019 has been restated during Q3/2019, for more information see Appendix 1.

EUR thousands	Rental Space	Permanent Space	Group functions	Eliminations	Group total
Jan-Jun 2019					
<b>Net sales by business area</b>					
Rental sales	65,700	65	-	-	65,765
Assembly and other services	22,626	-	-	-	22,627
Sales, new building units	2,116	16,022	-	-	18,138
<b>Total external net sales</b>	<b>90,442</b>	<b>16,089</b>	-	-	<b>106,530</b>
Inter-segment sales	-	7,630	-	-7,630	-
<b>Net sales</b>	<b>90,442</b>	<b>23,719</b>	-	<b>-7,630</b>	<b>106,530</b>
<b>Comparable EBITDA<sup>1</sup></b>	<b>46,663</b>	<b>1,443</b>	<b>-3,290</b>	-	<b>44,816</b>
Total items affecting comparability <sup>1</sup>	-902	-615	-8,232	-	-9,749
<b>EBITDA</b>	<b>45,761</b>	<b>828</b>	<b>-11,522</b>	-	<b>35,067</b>
Depreciation, amortisation and impairments					-21,043
<b>Operating profit (EBIT)</b>					<b>14,023</b>

<sup>1</sup> The amounts of items affecting comparability for April-June 2019 and January-June 2019 has been restated during Q3/2019, for more information see Appendix 1.

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

### Net sales by geographical area<sup>1</sup>

EUR thousands	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019
Finland	26,825	24,697	55,275
Sweden	59,882	60,653	114,499
Norway	2,977	3,852	9,448
Denmark	9,815	10,087	21,510
Germany	7,360	7,242	15,481
<b>Total</b>	<b>106,859</b>	<b>106,530</b>	<b>216,213</b>

<sup>1</sup> Net sales are presented based on the location of customers.

### Assets by geographical area<sup>1</sup>

EUR thousands	30 June 2020	31 December 2019
Finland	126,880	116,459
Sweden	424,817	429,004
Norway	18,871	17,904
Denmark	50,536	51,362
Germany	39,252	38,109
<b>Total</b>	<b>660,356</b>	<b>652,837</b>

<sup>1</sup> 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	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019
Rental sales	64,350	65,765	132,728
Assembly and other services	23,335	22,627	55,774
Sales, new building units	19,174	18,138	27,711
<b>Total</b>	<b>106,859</b>	<b>106,530</b>	<b>216,213</b>

### Timing of IFRS 15 revenue recognition:

EUR thousands	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019
Products and services transferred at point in time	19,446	19,071	29,253
Services transferred over time	23,063	21,694	54,232
<b>Total</b>	<b>42,509</b>	<b>40,765</b>	<b>83,485</b>

#### Rental sales (IFRS 16)

The majority of revenue in Adapteo consists of rental sales generated from leases of temporary adaptable building 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 adaptable buildings 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 building units, 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 adaptable buildings varies from a few days to several months. Other revenue-generating services include repair and maintenance services.

#### Sales, new building units (IFRS 15)

Sales, new building units consist of sale of new adaptable buildings. Adapteo provides tailor-made turnkey adaptable building 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 adaptable building solution after the lease period. Sales, new building units 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.

## 5. Changes in property, plant and equipment

Adapteo's property, plant and equipment ("PPE") mainly consists of rental equipment including building units used in adaptable building 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.

EUR thousands	Rental equipment	Other PPE assets	Total PPE
Net book value at 1 January 2020	425,537	25,521	451,057
Additions	30,959	6,504	37,464
Disposals	-1,836	-52	-1,888
Depreciations	-17,138	-2,409	-19,547
Reclassifications	-2,177	-1,257	-3,434
Exchange differences	-2,618	-79	-2,697
<b>Net book value at 30 June 2020</b>	<b>432,727</b>	<b>28,227</b>	<b>460,953</b>

## 6. Net debt

The carrying values of Adapteo's borrowings and net debt:

EUR thousands	30 June 2020	31 December 2019
<b>Non-current</b>		
Bank loans	398,599	398,171
Collateralised loan	422	405
Lease liabilities	11,998	11,912
<b>Total non-current borrowings</b>	<b>411,019</b>	<b>410,488</b>
<b>Current</b>		
Bank loans	35,000	-
Collateralised loan	45	45
Lease liabilities	1,333	1,519
<b>Total current borrowings</b>	<b>36,378</b>	<b>1,564</b>
<b>Total borrowings</b>	<b>447,397</b>	<b>412,052</b>
<b>Less:</b>		
Loan receivables	-148	-220
Finance lease receivables	-7,500	-8,233
Cash and cash equivalents	-42,536	-3,760
<b>Net debt</b>	<b>397,214</b>	<b>399,839</b>

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.

Adapteo has a EUR 500 million loan agreement of which EUR 400 million is a term loan and EUR 100 million is a revolving credit facility. The loan agreement contains financial covenants. The EUR 400 million term loan was drawn on 1 July 2019 and was used for refinancing of interest-bearing liabilities transferred to Adapteo in demerger and financing general corporate purposes.

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. At the end of reporting period EUR 35 million of revolving credit facility was drawn but fully unused.

Adapteo's liquidity and funding position remains to be at a good level. Cash and cash equivalents amounted to EUR 42.5 million (on 31 Dec 2019 EUR 3.8 million). In addition, Adapteo has a EUR 20 million facility agreement until further notice which was unused as of 30 June 2020.

## 7. Commitments and contingent liabilities

Adapteo had the following off-balance sheet commitments:

EUR thousands	30 June 2020	31 December 2019
Guarantees and commitments given on behalf of Group companies	1,486	1,254
Investments	16,320	12,260
Debts, secured by collateral		
Collateralised loan	467	450
Collateral given		
Pledges, collateralised loan	482	482

## 8. 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 include Adapteo's group management team and the members of the Board of Directors.

Prior the demerger date Adapteo's related parties included Cramo Plc and Cramo Group companies other than Adapteo entities. Transactions with Cramo Group before the demerger date are presented as related party transactions. At the date of the demerger and after the demerger, transactions with Cramo Group are not classified as related party transactions.

Related party transactions were:

EUR thousands	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019
Net sales (Cramo Group companies)	-	100	100
Purchases (Cramo Group companies)	-	333	333
Interest expenses (Cramo Group companies)	-	-865	-865

EUR thousands	30 June 2020	31 December 2019
Loan receivable from joint venture	148	220

## 9. Share-based incentive plans

On 26 May 2020, the Board of Directors of Adapteo Plc announced that it has decided to utilise the current authorisation given by the Annual General Meeting (AGM) to repurchase own shares and the repurchased shares will be used for honoring share-based incentive programs for employees of the company. The repurchases ended on 4 June 2020. During this period, Adapteo repurchased 51,000 shares, corresponding to about 0.1 per cent of the total number of shares and votes.

On 11 June 2020 Adapteo Plc transferred a net amount of 663 of its own shares held by the company as treasury shares without consideration to the participants of the employee share savings plan introduced for Cramo Group employees in 2016. After the share delivery, Adapteo holds a total of 50,337 treasury shares on 30 June 2020, corresponding to about 0.1 per cent of the total number of shares and votes.

In addition, one of the Cramo's performance share plans was settled during the second quarter. The rewards were paid in both in Adapteo shares and cash. The participants were entitled to get a gross amount of shares, but a portion of shares was withheld to cover

applicable taxes arising from the rewards to the participants. Taxes were paid on behalf of the participants and the participants received a net amount of shares. No Cramo shares were paid to the participants, instead the value of those Cramo shares were paid as cash to the participants based on the bidding price of Cramo of EUR 13.75 per share. The net amount of 9,685 Adapteo shares were purchased from the market by an outside service provider and paid to the plan participants on 15 April 2020.

Old employee share savings plans (One Cramo 2017-2018, One Cramo 2019) transferred from Cramo are treated as equity-settled and partly as cash-settled and the rewards are paid in both Adapteo and Cramo shares. During the second quarter 2020, it was decided that the part of rewards settled as Cramo shares were paid out to the participants on an accelerated schedule to the participants of Cramo's employee share savings plans.

Cramo share part in the other old performance shares plans transferred from Cramo will be paid in cash according to the bid price EUR 13.75 per share according to the original plan schedule.

## 10. Events after the reporting period

Adapteo announced on 27 March 2020 that the Board of Directors had decided that the company will apply for a dual listing of its shares on Nasdaq Helsinki during the

second half of 2020. Management has the ambition for this to take place no later than mid-October.

## Appendix 1 – Reconciliation of certain key figures

Adapteo has restated during Q3/2019 the amount of items affecting comparability for April-June 2019 from EUR 5.1 million to EUR 4.7 million and for January-June 2019 from EUR 10.2 million to EUR 9.7 million due to the incorrect classification of certain restructuring costs

reported as items affecting comparability during the second quarter of 2019. As a result, all KPIs labelled as “comparable” has been restated for these periods to reflect this correction.

<b>Specification of Items affecting comparability</b>	<b>Apr-Jun 2020</b>	<b>Apr-Jun 2019</b>	<b>Jan-Jun 2020</b>	<b>Jan-Jun 2019</b>	<b>Full Year 2019</b>
EUR thousands					
Items affecting comparability					
Costs related to the listing	45	3,756	169	6,735	8,078
Acquisition and integration related expenses	510	901	510	1,357	2,278
Restructuring costs	230	-	260	1,657	2,079
<b>Items affecting comparability in EBIT</b>	<b>785</b>	<b>4,657</b>	<b>939</b>	<b>9,749</b>	<b>12,435</b>
<b>Total items affecting comparability</b>	<b>785</b>	<b>4,657</b>	<b>939</b>	<b>9,749</b>	<b>12,435</b>

<b>Reconciliation of Comparable EBIT</b>	<b>Apr-Jun 2020</b>	<b>Apr-Jun 2019</b>	<b>Jan-Jun 2020</b>	<b>Jan-Jun 2019</b>	<b>Full Year 2019</b>
EUR thousands					
Operating profit (EBIT)	10,748	7,065	20,217	14,023	22,142
Items affecting comparability in EBIT	785	4,657	939	9,749	12,435
<b>Comparable EBIT</b>	<b>11,534</b>	<b>11,722</b>	<b>21,156</b>	<b>23,772</b>	<b>34,577</b>

<b>Reconciliation of Comparable EBITA</b>	<b>Apr-Jun 2020</b>	<b>Apr-Jun 2019</b>	<b>Jan-Jun 2020</b>	<b>Jan-Jun 2019</b>	<b>Full Year 2019</b>
EUR thousands					
Operating profit (EBIT)	10,748	7,065	20,217	14,023	22,142
Amortisation of intangible assets resulting from acquisitions	701	658	1,369	1,328	2,639
<b>EBITA</b>	<b>11,449</b>	<b>7,724</b>	<b>21,586</b>	<b>15,351</b>	<b>24,781</b>
Items affecting comparability in EBIT	785	4,657	939	9,749	12,435
<b>Comparable EBITA</b>	<b>12,235</b>	<b>12,381</b>	<b>22,525</b>	<b>25,100</b>	<b>37,216</b>

<b>Reconciliation of Comparable EBITDA</b>	<b>Apr-Jun 2020</b>	<b>Apr-Jun 2019</b>	<b>Jan-Jun 2020</b>	<b>Jan-Jun 2019</b>	<b>Full Year 2019</b>
EUR thousands					
Operating profit (EBIT)	10,748	7,065	20,217	14,023	22,142
Depreciation, amortisation and impairments	10,243	10,657	21,030	21,043	53,954
<b>EBITDA</b>	<b>20,992</b>	<b>17,723</b>	<b>41,247</b>	<b>35,066</b>	<b>76,096</b>
Items affecting comparability in EBIT	785	4,657	939	9,749	12,435
<b>Comparable EBITDA</b>	<b>21,777</b>	<b>22,380</b>	<b>42,186</b>	<b>44,816</b>	<b>88,531</b>



<b>Reconciliation of Operating cash flow before growth capex</b>	<b>Apr-Jun 2020</b>	<b>Apr-Jun 2019</b>	<b>Jan-Jun 2020</b>	<b>Jan-Jun 2019</b>	<b>Full Year 2019</b>
EUR thousands					
Comparable EBITDA	21,777	22,380	42,186	44,816	88,531
Change in net working capital <sup>1</sup>	10,171	7,867	4,673	15,966	17,232
Maintenance capex	-4,518	-4,364	-10,718	-5,926	-30,256
Non-fleet capex	-1,346	-4,237	-2,189	-8,660	-9,854
<b>Operating cash flow before growth capex</b>	<b>26,084</b>	<b>21,645</b>	<b>33,951</b>	<b>46,196</b>	<b>65,653</b>

<sup>1</sup>Total equity and trade and other payables as at 30 June 2019 have been adjusted by EUR 662 thousand compared to information published in Half-Year Financial Report January-June 2019 due to corrections made during Q4/2019 to the balance sheet at the demerger date 30 June 2019.

<b>Calculation of Earnings per share</b>	<b>Apr-Jun 2020</b>	<b>Apr-Jun 2019</b>	<b>Jan-Jun 2020</b>	<b>Jan-Jun 2019</b>	<b>Full Year 2019</b>
Profit for the period, EUR thousands	6,673	4,346	9,817	8,380	8,392
Average number of shares, pcs <sup>1</sup>	44,665,545	44,682,697	44,674,121	44,682,697	44,682,697
<b>Earnings per share, EUR</b>	<b>0.15</b>	<b>0.10</b>	<b>0.22</b>	<b>0.19</b>	<b>0.19</b>

<sup>1</sup>Number of Adapteo shares issued as demerger consideration of 44,682,697 used for all periods presented prior to the demerger. Treasury shares repurchased during Q2/2020 have been excluded in average number of shares.

<b>Reconciliation of Comparable earnings per share</b>	<b>Apr-Jun 2020</b>	<b>Apr-Jun 2019</b>	<b>Jan-Jun 2020</b>	<b>Jan-Jun 2019</b>	<b>Full Year 2019</b>
EUR thousands or as indicated					
Profit for the period	6,673	4,346	9,817	8,380	8,392
Total items affecting comparability	785	4,657	939	9,749	12,435
Impairment loss on property, plant and equipment	-	-	-	-	8,691
Related income tax impact	-161	-1,033	-192	-2,075	-2,514
<b>Comparable profit for the period</b>	<b>7,298</b>	<b>7,970</b>	<b>10,564</b>	<b>16,055</b>	<b>27,004</b>
Average number of shares, pcs <sup>1</sup>	44,665,545	44,682,697	44,674,121	44,682,697	44,682,697
<b>Comparable earnings per share, EUR</b>	<b>0.16</b>	<b>0.18</b>	<b>0.24</b>	<b>0.36</b>	<b>0.60</b>

<sup>1</sup>Number of Adapteo shares issued as demerger consideration of 44,682,697 used for all periods presented prior to the demerger. Treasury shares repurchased during Q2/2020 have been excluded in average number of shares.

<b>Reconciliation of Operative ROCE</b>	<b>Jan-Jun 2020</b>	<b>Jan-Jun 2019</b>	<b>Full Year 2019</b>
EUR millions or as indicated			
Net working capital	-17.1	-21.8 <sup>1</sup>	-16.7
Property plant and equipment	461.0	446.3	451.1
Investments in joint ventures	1.2	1.2	1.2
<b>Operative capital employed total</b>	<b>445.1</b>	<b>425.6</b>	<b>435.6</b>
Comparable EBITA (annualised)	34.7	50.2	37.2
<b>Operative ROCE, %</b>	<b>7.8</b>	<b>11.8</b>	<b>8.5</b>

<sup>1</sup>Total equity and trade and other payables in the demerger date 30 June 2019 have been adjusted by EUR 662 thousand compared to information published in Half-Year Financial Report January-June 2019.

## Appendix 2 – Calculation of key figures

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) <sup>1</sup>	Operating profit (EBIT) as presented in the consolidated income statement	Operating profit (EBIT) shows result generated by the operating activities.
EBITDA <sup>1</sup>	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 <sup>1</sup>	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.
Comparable EBITA <sup>1</sup>	Operating profit (EBIT) + amortisation and impairment on intangible assets resulting from acquisitions + items affecting comparability	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 EBITDA <sup>1</sup>	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.	
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 building units, net of disposals.
Growth capex	Additions to rental equipment + additions to rental accessories – reinvestment capex – capex relating to building unit upgrades	Growth capex distinguishes investments related to growing the rental portfolio.
Maintenance capex	Reinvestment capex + capex relating to building unit upgrades - disposals of rental equipment and rental accessories at net book value	Maintenance capex distinguishes the portion of net investments to the building portfolio required to maintain the size of the building portfolio 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.
Reinvestment capex	Disposed square meters of building units multiplied by average investments in building units per square meter for the period	Capex breakdowns provide further transparency and enable better evaluation of company's cash flows and earnings.

Key figure	Definition	Reason for the use
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 building portfolio.
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.
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 building units during the period divided by total building units available	Utilisation rate presents how large a portion of the portfolio 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 for the last 12 months / average amount of square meters on rent	Average rent per square meter provides further transparency to the revenue generation of the company.
Total sqm in building portfolio	-	Total square meters in building portfolio is a useful indicator to monitor the size of the rental portfolio.
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)	

<sup>1</sup> Corresponding margin has been calculated by dividing the measure with net sales

**Adapteo.**