Adapteo

Unaudited carve-out financial information as at and for the three months period ended 31 march 2019

ADAPTEO

COMBINED INCOME STATEMENT

In thousands of EURO	Note	1-3/2019	1-3/2018	1-12/2018
Net sales	3	**52 845**	**32 267**	**151 988**
Other operating income		967	118	1 569
Materials and services		-17 185	-11 266	-57 004
Employee benefit expenses		-9 113	-3 647	-19 819
Other operating expenses		-10 178	-3 895	-19 531
Depreciation, amortisation and impairments		-10 386	-5 868	-27 890
Share of profit of joint ventures		7		-13
Operating profit (EBIT)		**6 958**	**7 709**	**29 301**
Finance income		29	131	1 657
Finance costs		-1 945	-1 083	-5 066
Finance costs, net		**-1 916**	**-952**	**-3 410**
Profit before taxes		**5 042**	**6 757**	**25 891**
Income taxes		-1 008	-1 621	-4 978
Profit for the period		**4 034**	**5 136**	**20 913**
Attributable to owners of Adapteo		4 034	5 136	20 913

COMBINED STATEMENT OF COMPREHENSIVE INCOME

In thousands of EURO	Note	1-3/2019	1-3/2018	1-12/2018
Profit for the period		**4 034**	**5 136**	**20 913**
Other comprehensive income Items that may be reclassified subsequently to profit or loss:				
Translation differences		-2 099	-520	2 002
Other comprehensive income for the year, net of tax		-2 099	-520	2 002
Total comprehensive income for the period		**1 935**	**4 616**	**22 915**
Attributable to owners of Adapteo		1 935	4 616	22 915

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

COMBINED BALANCE SHEET

In thousands of EURO	Note	31 March 2019	31 March 2018	31 December 2018
ASSETS				
Non-current assets				
Property, plant and equipment	4	442 092	300 076	423 334
Goodwill		171 740	32 008	173 891
Other intangible assets		27 242	2 337	28 025
Investments in joint ventures		1 236		1 241
Deferred tax assets		3 514	3 283	3 109
Finance lease receivables	5	5 256		5 478
Loan receivables	5	221		224
Other receivables		368	623	345
Total non-current assets		**651 668**	**338 326**	**635 647**
Current assets				
Inventories		7 086	1 905	6 838
Finance lease receivables	5	5 233		5 244
Trade and other receivables		53 687	33 768	55 585
Income tax receivables		3 083	396	3 044
Cash and cash equivalents	5	3 282	123	2 377
Total current assets		**72 370**	**36 191**	**73 089**
TOTAL ASSETS		**724 039**	**374 517**	**708 735**
INVESTED EQUITY AND LIABILITIES				
Total invested equity		**221 273**	**203 762**	**214 627**
Non-current liabilities				
Borrowings	5	363 222	85 925	350 093
Deferred tax liabilities		43 861	22 682	43 138
Provisions		49	353	50
Pension liabilities		110	346	372
Total non-current liabilities		**407 242**	**109 305**	**393 653**
Current liabilities				
Borrowings	5	19 828	22 923	30 468
Trade and other payables		73 357	37 083	68 330
Income tax liabilities		2 035	903	1 318
Provisions		305	542	338
Total current liabilities		**95 524**	**61 450**	**100 455**
Total liabilities		**502 766**	**170 755**	**494 108**
TOTAL INVESTED EQUITY AND LIABILITIES		**724 039**	**374 517**	**708 735**

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

COMBINED STATEMENT OF CHANGES IN INVESTED EQUITY

	Attributable to owners of Adapteo		
In thousands of EURO	Invested equity and retained earnings	Translation differences	Total invested equity
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 year	4 034		4 034
Other comprehensive income			
Translation differences		-2 099	-2 099
Total comprehensive income	4 034	-2 099	1 935
Share-based payments	105		105
Equity transactions with Cramo	4 606		4 606
At 31 March 2019	**223 232**	**-1 959**	**221 273**
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 year	5 136		5 136
Other comprehensive income			
Translation differences		-520	-520
Total comprehensive income	5 136	-520	4 616
Share-based payments	78		78
Equity transactions with Cramo	-11 968		-11 968
At 31 March 2018	**206 144**	**-2 382**	**203 762**

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

COMBINED STATEMENT OF CASH FLOWS

In thousands of EURO	1-3/2019	1-3/2018	1-12/2018
Cash flow from operating activities			
Profit before taxes	5 042	6 757	25 891
Adjustments:			
Depreciation, amortisation and impairment	10 386	5 868	27 890
Share of profit of joint ventures	-7		13
Other non-cash adjustments	-349	-497	-1 886
Net gain on sale of property, plant and equipment	-138	-96	-847
Share-based payments	105	78	369
Finance costs, net	1 916	952	3 410
Cash generated from operations before changes in working capital	16 954	13 062	54 840
Change in working capital			
Change in inventories	-320	76	2 511
Change in trade and other receivables	1 531	1 589	-1 262
Change in trade and other payables	6 888	-804	6 212
Change in working capital	8 099	861	7 460
Change in finance lease receivables	85		922
Cash generated from operations before financial items and tax	25 139	13 923	63 222
Interest paid	-783	-407	-2 307
Interest received	11	23	29
Other financial items	1 761	-140	-967
Income taxes paid	-1 350	-1 039	-1 957
Net cash inflow from operating activities	**24 777**	**12 360**	**58 020**
Cash flow from investing activities			
Payments for property, plant and equipment	-18 615	-12 788	-68 057
Payments for intangible assets	-343	-57	-280
Proceeds from sale of property, plant and equipment and intangible assets	1 790	285	11 565
Acquisition of subsidiaries and business operations, net of cash acquired	-751		-139 001
Net cash (outflow) from investing activities	**-17 919**	**-12 561**	**-195 773**
Cash flow from financing activities			
Proceeds from bank loans			209 637
Repayment of bank loans			-63 655
Change in other current borrowings	-5 068		1 911
Net proceeds from / repayment of (-) in loans from Cramo	-6 049	7 938	15 156
Lease payments	-1 322	-58	-561
Equity financing with Cramo Group, net	6 516	-7 716	-22 519
Net cash inflow from financing activities	**-5 924**	**163**	**139 970**
Change in cash and cash equivalents	**934**	**-38**	**2 216**
Cash and cash equivalents at beginning of period	2 377	159	159
Exchange differences	-30	1	2
Cash and cash equivalents at end of period	**3 282**	**123**	**2 377**

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

Notes to the carve-out financial information for the three months period ended 31 March 2019

1. BACKGROUND

The Board of Directors of Cramo, has on 18 February 2019 approved a demerger plan concerning a partial demerger of Cramo (the "Demerger"). According to the demerger plan, Cramo will demerge so that all the assets, debts and liabilities belonging to Cramo's Modular Space business are transferred to a new independent company named Adapteo Plc to be established in the partial demerger.

As part of the proposed Demerger Cramo will carve out and transfer the relevant entities' assets and liabilities to Adapteo Plc. The carve-out financial information presented herein reflect the relevant entities' results of operations, assets and liabilities and cash flows that will be carved out from Cramo in the demerger process. Collectively these entities will form a separate legal group after the Demerger and are referred to as ("Adapteo", "Adapteo Group" or "Adapteo business").

The carve-out financial information for the three months period ended 31 March 2019 ("carve-out financial information") have been prepared in accordance with the basis of preparation and Adapteo's accounting policies set out below as well as in the Adapteo Carve-out Financial Statements as at and for the years ended 31 December 2018, 2017 and 2016.

The carve-out financial information has been prepared for the inclusion in the demerger prospectus of Adapteo prepared by Cramo in connection with the Extraordinary General Meeting approving the Demerger and the listing of the Adapteo shares on the Stockholm Stock Exchange. Carve-out financial information is unaudited and were authorised for issue by the Cramo Board of Directors on 2 June 2019.

2. BASIS OF PREPARATION AND SIGNIFICANT CHANGES IN CURRENT REPORTING PERIOD

BASIS OF PREPARATION

This carve-out financial information for the three months period ended 31 March 2019 have been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting under consideration of the basis of accounting and principles in preparing carve-out financial statements as at and for the years ended 31 December 2018, 2017 and 2016, except for the adoption of new and amended standards as set out below.

The carve-out financial information of Adapteo for the three months period ended 31 March 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 business. The carve-out financial information also includes certain Cramo's parent company's and Cramo Services AB's income, expenses, assets, liabilities and cash flows which will 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, this carve-out financial information may not be indicative of Adapteo's future performance, financial position and cash flows.

The carve-out financial information is presented in thousands of euros except when otherwise indicated.

Critical Accounting Estimates and Judgements

The preparation of this carve-out financial information has required management to make estimates and judgements affecting the amounts reported in this carve-out financial information and the accompanying notes. These estimates and judgements have an impact on the accounting principles applied to this carve-out 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 the 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 IN CURRENT REPORTING PERIOD

The financial position and performance of Adapteo as at and for the three months period ended 31 March 2019 was particularly affected by the following events and transactions:

- On October 2018 completed NMG acquisition impacts the comparability of the income statement information between the current reporting period and the comparative period
- 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 was recognised on the opening balance sheet on 1 January 2019 (see note 8).
- Operating expenses in current reporting period include items affecting comparability a total of EUR 5.1 million consisting of costs related to the contemplated listing of EUR 3.0 million, NMG acquisition related integration costs of EUR 0,5 million and restructuring costs of EUR 1.7 million consisting of redundancy payments.

3. SEGMENT INFORMATION

Adapteo offers premium modular space rental and rental related services. Adapteo's operations and profitability is reported as a single operating segment 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 Cramo's group management team as Cramo's chief operating decision maker at Adapteo level. Operating segments have not been aggregated.

Adapteo's businesses are present in 5 countries. The main market areas are Sweden and Finland, accounting for over 81 percent of net sales during the first quarter in 2019 and 73 percent in 2018.

NET SALES* BY GEOGRAPHICAL AREA

In thousands of EURO	1-3/2019	1-3/2018	1-12/2018
Finland	9 978	7 759	36 963
Sweden	32 957	14 709	74 461
Norway	1 597	1 355	7 350
Denmark	4 779	5 155	18 725
Germany	3 535	3 288	14 489
Total	**52 845**	**32 267**	**151 988**

*Net sales are presented based on the location of clients.

ASSETS* BY GEOGRAPHICAL AREA

In thousands of EURO	31 March 2019	31 December 2018
Finland	101 570	93 062
Sweden	441 212	441 290
Norway	16 727	16 037
Denmark	50 228	47 100
Germany	38 197	34 825
Total	**647 933**	**632 314**

*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:

In thousands of EURO	1-3/2019	1-3/2018	1-12/2018
Rental sales	33 212	22 820	99 966
Assembly and other services	10 729	9 247	45 824
Sales, new modules	8 904	199	6 198
Total	**52 845**	**32 267**	**151 988**

Timing of IFRS 15 revenue recognition:

In thousands of EURO	1-3/2019	1-3/2018	1-12/2018
Products and services transferred at point in time	9 184	350	6 825
Services transferred over time	10 449	9 097	45 196
Total	**19 633**	**9 447**	**52 022**

The NMG acquisition impacts the comparability between three months period ended 2019 and three month period ended 2018.

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, daycares, 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 fullfilling 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 of 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 8.

In thousands of EURO	Rental equipment*	Other PPE assets	**Total PPE**
Net book value at 1 January 2019**	**411 348**	**28 104**	**439 452**
Additions	13 121	4 080	17 202
Disposals	-1 005	-853	-1 857
Depreciations	-7 745	-1 419	-9 165
Impairments	179	-621	-442
Reclassification between asset categories	180	-180	0
Exchange differences	-2 911	-186	-3 097
Net book value at 31 March 2019	**413 167**	**28 925**	**442 092**

* Comprises of rental equipment and rental accessories, in 2019 also RoU rental machinery.
** 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 March 2019 consisted of related party loans from Cramo Group, lease liabilities and a collateralised loan. In addition, Adapteo had bank loan and convertible loan related to the financing of the NMG acquisition.

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

In thousands of EURO	**31 March 2019**	**31 December 2018**
Non-current:		
Bank loans	209 809	209 663
Convertible loan	52 895	53 633
Loans from Cramo Group	86 585	86 327
Lease liabilities	13 933	
Finance lease liabilities		469
Total non-current borrowings	**363 222**	**350 093**
Current:		
Credit facility		3 577
Loans from Cramo Group	14 011	20 202
Collateralised loan	4 327	6 475
Lease liabilities	1 489	
Finance lease liabilities		215
Total current borrowings	**19 828**	**30 468**
Total borrowings	**383 049**	**380 561**
Less:		
Loan receivables	-221	-224
Finance lease receivables	-10 488	-10 721
Cash and cash equivalents	-3 282	-2 377
Net debt	**369 058**	**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.

The acquisition of Nordic Modular Group was financed with a EUR 210 million bridge loan with a 2-year tenor and a SEK 550 million convertible loan.

The convertible loan was repaid after the end of the reporting period in April at the amount EUR 51.8 million (SEK 550 million) and accrued interests EUR 1.3 million.

On 29 March 2019 Cramo Plc announced that it has signed a new EUR 500,000,000 loan agreement for Adapteo Plc with OP Corporate Bank plc, Danske Bank A/S and Nordea Bank Abp acting as mandated lead arrangers. The loan consists of a EUR 400,000,000 term loan and a EUR 100,000,000 revolving credit facility. The repayment date of the facilities is in 2022 but, at the consent of the lenders, the maturity of the revolving credit facility can be extended by twelve months. The loan agreement contains two financial covenants: leverage ratio and interest coverage ratio. The loan agreement shall be transferred to Adapteo Plc upon the completion of the demerger, which is expected to take place on or about 30 June 2019.

6. COMMITMENTS AND CONTINGENT LIABILITIES

Adapteo had the following off–balance sheet commitments on 31 March 2019 and 31 December 2018:

In thousands of EURO	31 March 2019	31 December 2018
Collateral given on own behalf		
Debts, secured by collateral		
Lease liabilities	15 422	
Finance lease liabilities		684
Collateralised loan	3 997	5 086
Collateral given		
Pledges, lease liabilities	15 570	
Pledges, finance lease liabilities		682
Pledges, collateralised loan	4 260	4 727
Other commitments		
Investments	11 657	17 559
Other contingent liabilities	843	843

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 8.

7. RELATED PARTY TRANSACTIONS

Adapteo's related parties include the parent company Cramo Plc, Cramo Group companies other than Adapteo entities and a joint venture. Related parties also include key management personnel and their close family members as well as entities controlled by these persons.

TRANSACTIONS WITH CRAMO GROUP

Adapteo had the following transactions with other Cramo Group companies during the periods presented.

Related party transactions in the combined income statement:

In thousands of EURO	1-3/2019	1-3/2018	1-12/2018
Net sales	117	126	1 053
Purchases	92	1	457
Interest expenses	-595	-591	-1 821

Related party transactions in the combined balance sheet:

In thousands of EURO	31 March 2019	31 December 2018
Loans from Cramo Group	100 596	106 529
Receivables	742	361
Payables	248	1 150

Adapteo's sales to Cramo Group companies comprise of sales of modular buildings. Adapteo's purchase from Cramo Group companies in its ordinary course of business comprise of 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, Cramo Plc have equity and financing transactions with Adapteo which have led into the 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 of interest on Cramo's financing to Adapteo.

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

LOANS TO RELATED PARTIES

As at 31 December Adapteo had a EUR 224 thousand and as at 31 March 2019 EUR 221 thousand loan receivable from a joint venture Ungabostäder Haninge AB.

8. 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:

In thousands of EURO	
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:

In thousands of EURO	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 March 2019	1 077	5 511	6 764	2 219	**15 570**

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 0.7 EUR 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 the Adapteo relied on its assessment made applying IAS 17 and IFRIC 4 Determining whether 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 5 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.

9. EVENTS AFTER THE REPORTING PERIOD

The convertible loan amounting to EUR 53 million with the accrued interests was repaid in April and at the same time, a new loan with the same amount was withdrawn.

Cramo will hold the EGM concerning the demerger on 17 June 2019. The EGM shall resolve on the demerger and other Board proposals based on the demerger plan.

The Board of Directors of Cramo proposes to Extraordinary General Meeting of Shareholders, that Peter Nilsson be elected as the Chairman and Carina Edblad, Leif Gustafsson, Outi Henriksson, Andreas Philipson and Joakim Rubin as members of the Board of Directors of Adapteo.

The Board of Directors of Cramo has appointed Philip Isell Lind af Hageby the President and CEO of Adapteo and Executive Vice President, Rental Space Business Area upon the completion of demerger. Furthermore, the following persons have been appointed to constitute Adapteo's Group Management Team together with the President and CEO, with effect upon the completion of the Demerger: Timo Pirskanen as the CFO, Björn Kölerud as Interim Executive Vice President, Permanent Space Business Area, Simon Persson as Senior Vice President, HR Development, Teemu Saarela as Senior Vice President, Corporate Development and Hanna Wennberg as Senior Vice President, Marketing and Communications.