

PROFITABILITY AND CASH FLOW IMPROVED
7-9/2020 highlights (comparison figures in parenthesis 7-9/2019):

- Net sales 68.2 (81.8) million euro; change -16.7 %
- EBITDA 3.2 (3.0) million euro and EBITDA margin 4.8% (3.6%)
- Operating profit (EBIT) 2.5 (2.1) million and EBIT margin 3.6% (2.6%)
- Order backlog 189.4 (206.4) million euro; change -8.2%
- Free cash flow 4.6 (-0.4) million euro
- Earnings per share 0.21 (0.17) euro

1-9/2020 highlights (comparison figures in parenthesis 1-9/2019):

- Net sales 196.5 (236.5) million euro; change -16.9 %
- EBITDA 7.7 (4.5) million euro and EBITDA margin 3.9 % (1.9 %)
- Operating profit (EBIT) 5.3 (1.8) million and EBIT margin 2.7% (0.8%)
- Free cash flow 14.7 (-1.1) million euro
- Earnings per share 0.43 (0.06) euro

Guidance on the Group outlook for 2020:

The Company estimates that its operating result for 2020 will improve compared to 2019.

| KEY FIGURES (EUR 1,000) | 7-9/ 2020 | 7-9/ 2019 | Change % | 1-9/ 2020 | 1-9/ 2019 | Change % | 1-12/ 2019 |
|-------------------------------------|--------------|--------------|-------------|--------------|--------------|-------------|---------------|
| Net sales | 68,202 | 81,837 | -16.7 % | 196,548 | 236,542 | -16.9 % | 314,801 |
| EBITDA | 3,249 | 2,979 | 9.1 % | 7,711 | 4,494 | 71.6 % | 8,137 |
| EBITDA margin, % | 4.8 % | 3.6 % | | 3.9 % | 1.9 % | | 2.6 % |
| Operating profit (EBIT) | 2,454 | 2,089 | 17.5 % | 5,283 | 1,810 | 191.8 % | 4,632 |
| Operating profit (EBIT) margin, % | 3.6 % | 2.6 % | | 2.7 % | 0,8 % | | 1.5 % |
| Profit for the period | 1,694 | 1,412 | 20.0 % | 3,533 | 720 | 390.6 % | 2,676 |
| Order backlog | | | | 189,402 | 206,406 | -8.2 % | 185,820 |
| Free cash flow | 4,599 | -406 | | 14,692 | -1,134 | | 3,977 |
| Cash conversion, % | 141.5 % | n/a | | 190.5 % | n/a | | 48.9 % |
| Net interest-bearing debt | | | | 7,383 | 22,727 | -67.5 % | 18,880 |
| Gearing, % | | | | 23.6 % | 83.3 % | | 64.4 % |
| Return on investment, ROI % | | | | 14.1 % | -0.7 % | | 8.9 % |
| Number of personnel at period end | | | | 959 | 1,024 | -6.3 % | 990 |
| Earnings per share, undiluted (EUR) | 0.21 | 0.17 | 23,5 % | 0.43 | 0.06 | 616,7 % | 0.30 |

CEO's Review

“Consti’s solid performance continued during the third quarter. Our net sales for July-September amounted to 68.2 (81.8) million euro. Net sales decreased 16.7 percent from the comparison period. Our operating result for the third quarter was 2.5 (2.1) million euro, which is 3.6 (2.6) percent of the net sales. Both our absolute and relative profitability continued improving. Our profitability developed mainly as we expected, and all of our business areas were profitable during the reporting period.

Due to our improved profitability and released working capital, our cash flow for the reporting period also improved significantly compared to the previous year. Our free cash flow for July-September was 4.6 (-0.4) million euro. As a result of our positive profitability and cash flow development, our balance sheet and liquidity position also continued to strengthen.

Rising uncertainty owing to the coronavirus pandemic (COVID-19) reflected on the development of both our net sales and order intake. In July-September our order intake amounted to 31.0 (37.0) million euro. Our order backlog at the end of the reporting period decreased to 189.4 (206.4) million euro. Thus, our order backlog at the end of the third quarter was 8.2 percent lower than in the comparison period.

As we estimated in our half-year report, as a result of the corona crisis some planned renovation projects have been postponed. In the housing company market postponed decision making has caused projects to be moved into the future. In business premises renovation and alteration projects, the demand has decreased especially in those industries that have suffered most from corona. The corona situation has unfortunately escalated after the reporting period, creating further uncertainty to the short-term demand outlook of renovations. In the longer term, both the development of the corona crisis and the general economic situation will influence the demand outlook for renovations.

During the reporting period we were able to ensure that, work progressed at our work sites and that our customer’s projects were executed without unnecessary interruptions. Protecting the health of our personnel, customers, and partners was also an important priority. We also started to renew our strategy during the reporting period. We believe that the implementation of the new organisation structure and our change programme that we carried out last year have created a good foundation, on which we can build an even stronger Consti. We will communicate more about our new strategy in the beginning of next year.

Our guidance for the Group’s outlook for 2020 remains unchanged. Although the coronavirus pandemic is negatively impacting our net sales, I expect that our performance will remain solid also during the last quarter of the year.”

Operating environment

Construction market 2020-21

A Ministry of Finance led construction trends group estimated current construction industry trends in its Construction 2020-2021 Report, which was published in September. According to the report, the corona epidemic’s effect on construction has been smaller than expected. The corona restrictions in force have, however, decreased renovation more than new building. According to the report, renovation declined during the beginning of the year. Nonetheless, construction output as a whole was estimated to have grown during the first half of the year.

The construction trends group estimates that construction outlook for the upcoming autumn and winter 2020 is, however, weak. The outlook for new building has slumped due to a fall in demand, and there has been a considerable reduction in the number of building permits issued. Construction output for the full year 2020 is estimated to be close to the 2019 level as, despite the poor outlook, output was still growing in the first six months of the year. The construction trends group estimates that output will be down by between three and five per cent in 2021.

According to the construction trends group, renovation outlooks for 2020 and 2021 are more positive than that of new building. Growth is expected to continue at a rate of 0.4 percent in 2020 and 1.3 percent in 2021. Renovations continue, because renovation needs remain high due to the age of the building stock. As supplementary and complimentary building become more common, the number of renovations also increase. The decrease in new construction also adds to the interest that companies show towards professional renovations.

The construction trends group estimates that the corona crisis has both positive and negative impacts on renovation demand, but the total effect is negative. Demand drivers for housing company renovations remain unchanged, but the corona crisis has caused both decision-making and the planning of renovation projects to be delayed in some housing companies. The Finnish Real Estate Federation conducted a separate survey in August, which showed that owing to the corona pandemic approximately 20 percent of large housing companies have postponed decision making, while about 15 percent have postponed renovation project planning. The growth of business premises renovations is slowing down because the corona crisis has lowered demand and created an over-supply of office spaces, and also decreased real estate business.

The renovation market in general

The renovation market is need-driven, and its steady growth is sustained by the age of the building stock and global megatrends. The general economic situation has a smaller impact on renovations and building technology services than it has on new construction.

Professional renovation has grown nearly continuously in Finland for the last 20 years and at its best, its value has surpassed that of new construction. In 2019, renovation's share of all construction is estimated to have been approximately 47 percent. Both renovation and new construction have concentrated to large cities in past years. As economic growth declines new construction is estimated to concentrate even more to growth centres.

The value of professional renovation was approximately 13.8 billion euro in 2019. Residential buildings made up 8.3 billion euro of this amount. The majority of renovations were conducted in apartment buildings and rowhouses. The demand for renovation is increased by the age of the building stock in Finland. Residential construction was at its heights in the 1970s and the building technology, facades and structures from that time now require major renovations.

The demand for renovation is due to the large building stock of residential buildings from the 1970s and also renovation needs in commercial and office buildings. In the 1980s commercial and office building construction was especially large-scale, and in the 1990s and early 2000s more commercial and office buildings were built than residential buildings. Thus, commercial and service facilities do not necessarily meet present-day needs.

Megatrends such as aging population, urbanisation and climate change also add to the need of renovation. Energy efficiency requirements for buildings, for example, aim to decrease carbon emissions by improving energy efficiency through comprehensive renovations and smart building technology. EU's directive requires that member states make long-term comprehensive renovation strategies to convert the building stock to be extremely energy efficient and low-carbon by 2050. Some of the requirements are already for 2020. Building technology such as ventilation, as well as various security systems are also growing more important as factors contributing to living comfort.

Hand in hand with urbanisation, both new construction and renovation are concentrated more and more to cities, because renovating buildings in areas that are losing population is not always economically viable. Urbanisation also adds to supplementary building in both centres of growth areas and suburbs. Modifications of building use are also conducted to renovate office buildings into apartments.

Group structure

Consti is one of Finland's leading companies focused on renovation contracting and technical building services. Consti offers comprehensive renovation and building technology services to housing companies, corporations, investors and the public sector in Finland's growth centres.

Consti has four business areas: Housing Companies, Corporations, Public Sector and Building Technology. All these also contain Servicing and maintenance services which is not reported as its own business area. Consti however reports its Service operations' sales per financial year. Consti's Service business includes service contracting as well as technical repair and maintenance services to contract customers.

Business areas are reported in one segment. In addition, Consti reports net sales for each business area.

The Group's parent company is Consti Plc. The business areas operate in two subsidiaries completely owned by the parent company: Consti Korjausrakentaminen Oy (Housing Companies, Corporations and Public Sector) and Consti Talotekniikka Oy (Building Technology).

Long term goals

Consti's mission is to improve the value of the building stock and people's quality of life. Consti's vision is to be number one in renovation in Finland. To achieve its vision and goals, Consti has defined strategic initiatives, which are advanced as strategic development projects. Strategic initiatives are: profitable and competitive operations, the best professionals, excellent services and solutions, the best customer experience and renewal and growth.

The company's long-term financial goals are to achieve:

- Growth: net sales growing faster than the market
- Profitability: EBIT margin exceeding 5 percent
- Free cash flow: Cash conversion ratio exceeding 90 percent
- Balance sheet structure: Net debt to adjusted EBITDA ratio of less than 2.5x
- The Company's aim is to distribute as dividends at least 50 percent of the Company's annual net profit

Sales, result and order backlog

7-9/2020

Consti Group's July-September net sales decreased 16.7 percent and were 68.2 (81.8) million euro. Housing Companies net sales were 23.8 (30.4), Corporations net sales were 21.5 (27.9), Public Sector net sales were 9.8 (10.5) and Building Technology net sales were 15.9 (18.0) million euro.

Net sales decreased in all business areas. Net sales in Housing Companies business area were negatively affected by the postponed decision-making of housing companies due to the corona crisis. The development of net sales in Corporations business area was reflected by the fact that during the reporting period there were fewer ongoing large comprehensive renovation projects than in the comparison period as well as the decreased demand for renovation services in the non-residential sector due to the corona crisis. Public Sector business area's net sales developed as expected but fell slightly short of the comparison period. The net sales of Building Technology business area decreased especially due to the volume decrease in building technology installations business in Tampere area.

Operating result (EBIT) for July-September was 2.5 (2.1) million euro. Operating result from net sales was 3.6 (2.6) percent. The operating result for July-September developed mostly in line with expectations and all business areas were profitable. July-September performance was supported by the implementation of the new organisation structure and change program that was carried out during the previous year, and the flexibility of operating costs in relation to changes in volume.

The order backlog at the end of the reporting period decreased 8.2 percent and was 189.4 (206.4) million euro. Order intake value during July-September decreased 16.2 percent and was 31.0 (37.0) million euro.

1-9/2020

Consti Group's January-September net sales decreased 16.9 percent and were 196.5 (236.5) million euro. Housing Companies net sales were 65.0 (86.3), Corporations net sales were 63.9 (87.3), Public Sector net sales were 29.4 (24.1) and Building Technology net sales were 47.9 (53.1) million euro.

Net sales grew in Public Sector but decreased in Housing Companies, Corporations and Building Technology. Public Sector business area's net sales grew as expected thanks to strong order backlog. Net sales in Housing Companies business area were negatively affected by the postponed decision-making of housing companies due to the corona crisis. The development of net sales in Corporations

business area was reflected by the fact that during the reporting period there were fewer ongoing large comprehensive renovation projects than in the comparison period as well as the decreased demand for renovation services in the non-residential sector due to the corona crisis. The net sales of Building Technology business area decreased especially due to the volume decrease in building technology installations business in Tampere area.

Operating profit (EBIT) for January-September was 5.3 (1.8) million euro. Operating profit from sales was 2.7 (0.8) percent. Profitability developed mostly in line with expectations during the reporting period and all business areas were profitable. January-September performance was supported by the implementation of the new organisation structure and change program that was carried out during the previous year, the flexibility of operating costs in relation to changes in volume, and the improved quality of the order backlog.

The order backlog at the end of the reporting period increased 1.9 percent compared to the end of the previous financial year and was 189.4 million euro. The order intake value during January-September decreased 4.8 percent and was 160.0 (168.0) million euro.

Investments and business combinations

Investments into intangible and tangible assets in July-September were 0.2 (0.2) million euro, which is 0.3 (0.2) percent of the company's net sales. Investments into tangible and intangible assets in January-September were 0.9 (0.6) million euro, which is 0.5 (0.2) percent of net sales. The largest investments were made into property, plant and equipment, which primarily include machinery and equipment purchases. Investments into right-of-use assets (IFRS 16) during January-September were EUR 0.5 (0.7) million. The majority of investments into right-of-use assets during the reporting period were related to renewed leasing contracts of vans used in project and service business.

Cash flow and financial position

The operating cash flow in July-September before financing items and taxes was 4.8 (-0.2) million euro. Free cash flow, i.e. operating cash flow before financing items and taxes less investments in intangible and tangible assets was 4.6 (-0.4) million euro. July-September cash flow was affected by the improvement of operating result and released working capital during the reporting period. Working capital was released as the financial position of project portfolio improved during the reporting period.

The January-September operating cash flow before financing items and taxes was 15.6 (-0.6) million euro. Free cash flow, i.e. operating cash flow before financing items and taxes less investments in intangible and tangible assets was 14.7 (-1.1) million euro. The cash flow in January-September was affected by the improvement of operating result and released working capital during the reporting period. Working capital was released as the financial position of project portfolio improved during the reporting period.

Consti Group's cash and cash equivalents on 30 September 2020 were 22.2 (4.3) million euro. In addition, the company has undrawn revolving credit facilities and unused credit limits amounting to 8.0 million euro in total. The Group's interest bearing debts were 29.5 (27.0) million euro. External loans are subject to two financial covenants based on the ratio of the Group's net debt to adjusted EBITDA and gearing. On the balance sheet date, the interest bearing net debt was 7.4 (22.7) million euro and the gearing ratio 23.6 (83.3) percent. At the balance sheet date 30 September 2020, the Group's interest-bearing net debt to adjusted EBITDA ratio was under the covenant's maximum level according to the confirmed calculation principles.

Consti Group's equity includes a hybrid bond of EUR 3.2 million issued in March 2019. The interest paid on the hybrid bond in March 2020 was EUR 0.4 million. The interest on the hybrid bond is recognised as deduction from Group's equity.

The balance sheet total on 30 September 2020 was 127.0 (118.0) million euro. At the end of the reporting period, tangible assets in the balance sheet were 5.3 (6.0) million euro. Equity ratio was 32.6 (28.2) percent.

Within the framework of the EUR 50 million domestic commercial paper program initiated in October 2019, Consti may issue commercial papers with maturity of under one year. During January-September 2020, Consti issued new commercial papers with maturity of under one year amounting to EUR 18.0 million. During the same period, matured total of EUR 16.0 million earlier issued commercial papers.

| MATURITY DISTRIBUTION OF INTEREST-BEARING DEBT (EUR 1,000) | 2020 | 2021 | 2022 | 2023 | 2024 | 2025- | Total |
|--|--------------|--------------|---------------|------------|-----------|----------|---------------|
| Bank loans | 556 | 1,216 | 16,609 | 0 | 0 | 0 | 18,381 |
| Commercial papers | 2,000 | 6,000 | 0 | 0 | 0 | 0 | 8,000 |
| Lease liabilities | 510 | 1,360 | 538 | 162 | 26 | 2 | 2,599 |
| Other interest-bearing liabilities | 128 | 474 | 336 | 165 | 10 | 0 | 1,111 |
| Total | 3,194 | 9,050 | 17,484 | 326 | 36 | 2 | 30,092 |

*Including deferred interest expense

Personnel

Consti Group had 959 (1,024) employees at the end of the reporting period. The average employee count during January-September was 982 (1,050).

At the end of the reporting period 336 (360) employees worked in Housing Companies, 226 (250) in Corporations, 47 (47) in Public Sector and 340 (358) in the Building Technology business area. The parent company employed 10 (9) people.

| PERSONNEL AT PERIOD END | 30 Sep 2020 | 30 Sep 2019 | Change % | 31 Dec 2019 |
|-------------------------|-------------|--------------|---------------|-------------|
| Housing Companies | 336 | 360 | -6.7 % | 346 |
| Corporations | 226 | 250 | -9.6 % | 237 |
| Public Sector | 47 | 47 | 0.0 % | 42 |
| Building Technology | 340 | 358 | -5.0 % | 356 |
| Parent company | 10 | 9 | 11.1 % | 9 |
| Group | 959 | 1,024 | -6.3 % | 990 |

Management Team

Consti Plc's Management Team at the end of the reporting period consisted of CEO Esa Korkeela and the following persons: Joni Sorsanen, CFO; Risto Kivi, Business Area Director Housing Companies and Public Sector; Jukka Mäkinen, Business Area Director Corporations; Pekka Pöykkö, Business Area Director Building Technology, Markku Kalevo, Bid and Sales Director Housing Companies; Pirkka Lähteinen, Regional Director Corporations, Heikki Untamala, Chief Legal Officer and Turo Turja, HR Director.

Important events during the reporting period

No important events have been disclosed during the reporting period.

The Annual General Meeting 2020 and Board authorisations

The Annual General Meeting of Shareholders of Consti Plc held on 6 April 2020 adopted the Financial

Statements and discharged the Members of the Board of Directors and the CEO from liability for the financial year 1 January - 31 December 2019. The Annual General Meeting resolved that a dividend of 0.16 euro per share for the financial year 2019 is paid. The record date for dividend payment was 8 April 2020 and the dividend was paid on 17 April 2020.

The Annual General Meeting resolved that the Board of Directors consists of six members. The current members of the Board of Directors, Tapio Hakakari, Erkki Norvio, Petri Rignell, Pekka Salokangas and Anne Westersund were re-elected and Johan Westermarck was elected as a new member to the Board of Directors for the following term of office.

Authorised Public Accounting firm Ernst & Young Ltd was elected as the Auditor of the Company and Toni Halonen, Authorised Public Accountant, will act as the Responsible Auditor.

It was resolved that the annual remuneration of the members of the Board of Directors is paid as follows: The Chairman of the Board of Directors is paid EUR 36,000 and members of the Board of Directors are each paid EUR 24,000. It was also resolved that a EUR 500 fee per member per meeting is paid for Board meetings. It was resolved that the remuneration for the Auditor shall be paid according to the Auditor's reasonable invoice.

The Annual General Meeting resolved to amend 1§ of the Articles of Association as proposed by the Board of Directors to read as follows: 1§ The Company's business name is Consti Oyj and in English Consti Plc. The Company is domiciled in Helsinki.

The Board of Directors was authorised to resolve on the repurchase of a maximum of 580 000 shares in the Company in one or several tranches by using funds in the unrestricted shareholders' equity. The shares may be repurchased for the price formed at the moment of purchase on public trading or for the price otherwise formed on the markets. The own shares may be purchased by deviating from the shareholders' pre-emptive rights (directed repurchase). The shares may be repurchased in order to, for example, carry out the Company's share-based incentive plan. The Board of Directors is authorized to decide on how repurchase is carried out and on all other matters related to the repurchase of shares.

The Board of Directors was authorised to resolve on the share issue and the issuance of special rights entitling to shares as referred to in Chapter 10 Section 1 of the Companies Act in one or several tranches, either against payment or without payment. The aggregate amount of shares to be issued, including the shares to be received based on special rights, shall not exceed 780,000 shares. The Board of the Directors may resolve to issue either new shares or to transfer treasury shares potentially held by the Company. The Board of Directors is authorized to decide on all other matters related to the issuance of shares and special rights, including on a deviation from the shareholders' pre-emptive rights. The authorization is used, for example, to carry out the Company's share-based incentive plan or for other purposes resolved by the Board of Directors.

These authorizations replace previous authorizations of the Board of Directors and they shall be valid until the closing of the next Annual General Meeting, however, no longer than until 30 June 2021.

Organising Meeting of the Board of Directors

The Board of Directors elected by the Annual General Meeting of Shareholders of Consti Plc on 6 April 2020 held its organising meeting and elected Tapio Hakakari as the Chairman of the Board. The Board of Directors appointed Petri Rignell, Erkki Norvio, Tapio Hakakari and Pekka Salokangas as members of the Nomination and Compensation Committee. The Board of Directors has not established other committees.

Shares and share capital

Consti Plc's share capital on 30 September 2020 was 80,000 euro and the number of shares 7,858,267. Consti Plc held 173,031 of these shares. The Company has a single series of shares, and each share entitles its holder to one vote at the General Meeting of the company and to an equal dividend. Consti Plc's shares are added into the Book-Entry Securities System.

Share based bonus schemes

Consti Plc's Board decided on 28 February 2020 to continue the key employee share-based incentive plan

launched in 2016. The plan offers the key employees that belong to the target group of the plan an opportunity to earn the Company's shares as reward by converting half or all of their performance-based bonuses to be earned on the basis of the Company's bonus scheme in 2020 into shares. Before the reward payment, the performance-based bonuses that have been converted into shares will be multiplied by a reward multiplier determined by the Board. The potential reward from the performance period 2020 will be paid to participants partly in shares and partly in cash after a two-year vesting period in 2023. During the performance period 2020, a maximum of approximately 70 key employees will belong to the target group of the plan, including the members of the Management Team. The rewards to be paid for the performance period 2020 will amount up to a maximum total of approximately 305,000 Consti Plc shares at the prevailing share price level, including also the cash portion, providing that all of the key employees that belong to the target group of the plan decide to participate and convert their performance-based bonuses entirely into shares.

The Board of Directors of Consti Plc decided on 17 June 2020 to launch a new key employee stock option plan. There is a weighty financial reason for the Company to issue stock options 2020 since the stock options are intended to form part of the key employee incentive and commitment program of Consti Plc and its subsidiaries. The purpose of the stock options is to encourage the key employees to work on a long-term basis to increase shareholder value. The purpose of the stock options is also to commit the key employees to the employer. The maximum total number of stock options 2020 issued is 245,000 and they entitle their owners to subscribe for a maximum total of 245,000 new shares in the Company or existing shares held by the Company. The stock options are issued gratuitously. The number of shares subscribed by exercising stock options now issued corresponds to a maximum total of 3 per cent of the shares and votes in the Company, if new shares are issued in the share subscription. The share subscription price for stock options 2020 is 6.65 euros per share, which is the trade volume weighted average quotation of the Consti Plc share on Nasdaq Helsinki Ltd during 1 May—31 May 2020. The share subscription price is deducted by the amount of dividends and/or distribution of assets to be decided before share subscription. The share subscription period for stock options 2020 is 1 July 2023—30 June 2024. The Board of Directors decided on the new stock option plan by virtue of the authorization given by the Company's Annual General Meeting of Shareholders on 6 April 2020. Stock options 2020 are distributed to approximately 20 Management Team members and other key employees determined by the Board of Directors.

Trade at Nasdaq Helsinki

Consti Plc has been listed in the Helsinki Stock Exchange main list since 15 December 2015. The trade symbol is CONSTI. On the Nordic list Consti Plc is classified a small cap company within the Industrials sector. During 1 January – 30 September 2020 Consti Plc's lowest share price was EUR 6.00 (4.76) and the highest EUR 9.18 (6.02). The share's trade volume weighted average price was EUR 7.61 (5.28). At the close of the stock day on the last trading day of the reporting period 30 September 2020 the share value was EUR 8.54 (5.00) and the Company's market value was EUR 67.1 (39.3) million.

Related-party transactions

There were no significant related-party transactions during the reporting period.

Outlook for 2020

Growing uncertainty due to the coronavirus pandemic (COVID-19) has reflected on the development of both Consti's net sales and order intake. As a result of the corona crisis, some planned renovation projects have been postponed. In the housing company market, postponed decision-making has caused projects to be delayed. In business premises renovation and alteration projects demand has decreased especially in those industries that have suffered most from corona. After the reporting period, the corona situation has unfortunately escalated, creating further uncertainty to the short-term demand outlook of renovations.

Consti's guidance for 2020 remains unchanged. The coronavirus pandemic will have a negative impact on net sales for 2020, but Consti's performance is expected to remain solid also during the last quarter of the year.

The Company estimates that its operating result for 2020 will improve compared to 2019.

Significant risks and risk management

Consti divides risks into strategic and operative risks, financing risks and risks of injury or damage.

Risks pertain to defining and carrying out strategy. Consti's goal is to grow in its central businesses in its current market areas and also expand its full offering to Finland's other growth centres. In addition, we aim to increase maintenance and service contracting work, i.e. our Service business, so it amounts to a larger share of our net sales. Our strategy includes both organic growth and acquisitions. Risks related to acquisitions are managed with careful deal preparation and integration monitoring. Market risks are controlled by actively following the market and adjusting operations as necessary.

Operative risks relate to clients and project operations, personnel, subcontractors, suppliers, legislation and legal claims. Consti has a wide customer base that consists of housing companies, municipalities and other public sector operators, real estate investors as well as corporations and industrial players. Our broad customer base decreases risks related to both individual projects and the market environment. A substantial part of Consti Group's business comes from tendered projects and services. The Company and its business areas have procedures that determine which tenders Consti participates in and what the decision making processes regarding these projects are. Consti's jointly agreed upon procedures for internal tender calculation and authorisation for decision making are also central to tender processes.

Our success depends to a large extent on how well we are able to acquire, motivate and retain professional personnel and upkeep our employees' competence. Personnel turnover risk will be kept at minimum with for example continuous training and by supporting voluntary training. Personnel risks also include possible human errors and misconducts. These risks are managed with careful recruiting, orientation, work supervision and with ethical guidelines created for supervisors. Subcontractor and supplier risks are managed with meticulously made contracts, long term partnerships and regular assessments of the subcontractor and suppliers' financial position. Changes in building, environmental protection, workforce and work safety legislation as well as taxation and financial reporting all have an impact on Consti's operating possibilities.

Risks relating to legal proceedings are managed with meticulous contract preparation and monitoring, the highest possible work quality, and liability insurance. The Group has ongoing and pending legal cases relating to normal business. It is difficult to predict the outcome of these proceedings, but provisions based on the best possible estimate have been recorded in those cases where such provisions are estimated necessary.

Risks pertaining to injuries or damage include injuries, environmental risks, and ICT risks. Consti strives to follow all applicable regulation aimed at protecting employees, and occupational safety is emphasized in all our actions. The most significant environmental risks are related to environmentally harmful substances which may be produced for example in deconstruction waste processing, or caused by neglects in end-storage. In addition, operations can cause noise, construction dust and tremor to nearby surroundings. Consti abides by legislation, regulation, permit procedures and authority regulations regarding construction, the materials used in building, storage, recycling, waste disposal and other environmental issues. ICT risk are assessed and managed in cooperation between the Group's ICT function and business areas and together with partners.

Consti Group's business has financial risks. Financial risks include interest rate, credit and liquidity risks as well as risk relating to the realisation of payments from long-term contract and service agreements.

The Group's risks related to market rate fluctuations are due largely to the Group's long-term variable interest rate loans. Consti monitors the sensitivity of its loans to changes in interest rates and the effect such changes would have on the Group's results prior to taxes. Consti's credit risk is related to customers who have unpaid invoices or with whom Consti has long-term contracts as well as counterparties to cash and cash equivalents and derivative agreements. The businesses credit risk is managed for instance with advance payments, front-loaded payment schedules for projects and by examining client backgrounds.

The Group strives to ensure the availability and flexibility of financing with sufficient credit limit reserves and sufficiently long loan periods. The Group's working capital management makes every effort to ensure that it abides to covenants included in interest bearing loans, which in turn determine the capital structure

provisions. At the balance sheet date 30 September 2020, the Group's interest-bearing net debt to adjusted EBITDA ratio was under the covenant's maximum level according to the confirmed calculation principles. The financial covenant's degree is continuously monitored and assessed in relation to net debt and EBIT realisations and predictions.

There is a risk that revenue and results of operations from long-term contracts recognised using the percentage-of-completion method and presented by financial year do not necessarily correspond to an even distribution of the final overall result over the contract period. Calculating the total result of a contract involves estimates of the total cost of completing the contract and the progress of the work to be invoiced. If the estimates of the final result of the contract change, the effect of this is reported in the period when the change first became known and could be estimated.

Goodwill is based on management estimates. Goodwill recognised on Consti's balance sheet is not amortised, but it is tested for impairment annually or if necessary more often by the Group.

A detailed description of risks related to Consti and its operating environment and business, as well as the Group's risk management are presented in the Board of Directors' Report published in Consti's annual report 2019. Financial risks and their management is described in detail in note 18 to the financial statements "Financial risk management".

Hotel St. George construction project

Consti Plc's subsidiary Consti Korjausrakentaminen Oy (former Consti Korjausurakointi Oy) has initiated on 17 August 2018 arbitration proceedings in accordance with the Arbitration Rules of the Finland Chamber of Commerce against Kiinteistö Oy Yrjönkatu 13, which relates to the construction project for Hotel St. George. This disagreement has arisen between Consti Korjausrakentaminen Oy and Kiinteistö Oy Yrjönkatu 13 relating to the project management agreement signed on 21 December 2015, which concerns the construction project for Hotel St. George. In addition, the disagreement relates to a so-called rush contract signed on 1 December 2017. The construction project for Hotel St. George has been completed and handed over to the client.

Consti Korjausrakentaminen Oy demands payments from Kiinteistö Oy Yrjönkatu 13 based on the above-mentioned contracts. During the arbitration court process, the amount of capital of Consti's settlement requirement has been specified as approximately 13 million euro. Kiinteistö Oy Yrjönkatu 13's counterclaims have been specified as approximately 10.4 million euro during the arbitration court process. The amounts do not include VAT. In addition, the parties claim interest payments and compensation for legal expenses from each other. Consti Korjausrakentaminen Oy considers the claims of Kiinteistö Oy Yrjönkatu 13 to be unfounded.

On 9 April, 2020, the Arbitration Institute decided to extend the time limit given for the delivery of final arbitral award until 11 June, 2021. To the best of its ability, Consti has taken the disagreement into consideration in its financial reporting. In the future, Consti will disclose information on this matter, on the final claims presented and on the relevance of this matter to the company's financial position as necessary in connection with interim reports and by separate releases, as necessary.

Dividend and dividend policy

The Annual General Meeting of Shareholders held on 6 April 2020 resolved that dividend of EUR 0.16 per share for the financial year 2019 is paid. No dividend was paid on own shares held by the Company. The record date for dividend distribution was 8 April 2020, and the dividend was paid on 17 April 2020.

According to the Company dividend policy its goal is to distribute a minimum of 50 percent of the fiscal year's profit as dividend, however taking into consideration the Company's financial position, cash flow and growth opportunities.

Events after the reporting period

No material events have been disclosed after the reporting period.

INTERIM REPORT 1.1. - 30.9.2020: FINANCIAL TABLES

| CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000) | 7-9 / 2020 | 7-9 / 2019 | Change % | 1-9 / 2020 | 1-9 / 2019 | Change % | 1-12 / 2019 |
|---|-------------------|-------------------|-----------------|-------------------|-------------------|-----------------|--------------------|
| Net sales | 68,202 | 81,837 | -16.7 % | 196,548 | 236,542 | -16.9 % | 314,801 |
| Other operating income | 41 | 200 | -79.3 % | 389 | 566 | -31.3 % | 921 |
| Materials and services | -48,292 | -60,125 | 19.7 % | -137,676 | -176,406 | 22.0 % | -229,884 |
| Employee benefit expenses | -13,583 | -14,776 | 8.1 % | -42,482 | -45,033 | 5.7 % | -61,736 |
| Depreciation | -795 | -890 | 10.7 % | -2,427 | -2,684 | 9.6 % | -3,505 |
| Other operating expenses | -3,119 | -4,157 | 25.0 % | -9,068 | -11,175 | 18.9 % | -15,965 |
| Operating profit/loss (EBIT) | 2,454 | 2,089 | 17.5 % | 5,283 | 1,810 | 191.8 % | 4,632 |
| Financial income | 1 | 2 | -63.1 % | 2 | 10 | -78.5 % | 18 |
| Financial expenses | -227 | -327 | 30.4 % | -776 | -920 | 15.7 % | -1,236 |
| Total financial income and expenses | -227 | -325 | 30.3 % | -773 | -910 | 15.0 % | -1,218 |
| Profit/loss before taxes (EBT) | 2,227 | 1,764 | 26.3 % | 4,510 | 900 | 401.1 % | 3,414 |
| Total taxes | -533 | -352 | -51.5 % | -977 | -180 | -443.2 % | -738 |
| Profit/loss for the period | 1,694 | 1,412 | 20.0 % | 3,533 | 720 | 390.6 % | 2,676 |
| Comprehensive income for the period 1) | 1,694 | 1,412 | 20.0 % | 3,533 | 720 | 390.6 % | 2,676 |
| Earnings per share attributable to equity holders of parent company | | | | | | | |
| Earnings per share, undiluted (EUR) | 0.21 | 0.17 | 23.5 % | 0.43 | 0.06 | 616.7 % | 0.30 |
| Earnings per share, diluted (EUR) | 0.21 | 0.17 | 23.5 % | 0.43 | 0.06 | 616.7 % | 0.30 |

1) The group has no other comprehensive income items.

| CONSOLIDATED BALANCE SHEET (EUR 1,000) | 30 Sep 2020 | 30 Sep 2019 | Change % | 31 Dec 2019 |
|---|----------------|----------------|---------------|----------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 5,279 | 6,025 | -12.4 % | 6,338 |
| Goodwill | 48,604 | 48,604 | 0.0 % | 48,604 |
| Other intangible assets | 355 | 296 | 19.7 % | 437 |
| Shares and other non-current financial assets | 17 | 17 | 0.4 % | 17 |
| Deferred tax receivables | 801 | 1,092 | -26.7 % | 741 |
| Total non-current assets | 55,056 | 56,035 | -1.7 % | 56,137 |
| Current assets | | | | |
| Inventories | 639 | 616 | 3.7 % | 630 |
| Trade and other receivables | 49,185 | 57,085 | -13.8 % | 49,786 |
| Cash and cash equivalents | 22,157 | 4,288 | 416.8 % | 10,032 |
| Total current assets | 71,981 | 61,989 | 16.1 % | 60,448 |
| TOTAL ASSETS | 127,038 | 118,023 | 7.6 % | 116,585 |
| EQUITY AND LIABILITIES | | | | |
| Equity attributable to owners of the parent company | 28,073 | 24,080 | 16.6 % | 26,137 |
| Hybrid bond | 3,200 | 3,200 | 0.0 % | 3,200 |
| Total Equity | 31,273 | 27,280 | 14.6 % | 29,337 |
| Non-current liabilities | | | | |
| Interest-bearing liabilities | 18,608 | 20,214 | -7.9 % | 19,675 |
| Total non-current liabilities | 18,608 | 20,214 | -7.9 % | 19,675 |
| Current liabilities | | | | |
| Trade and other payables | 33,026 | 40,254 | -18.0 % | 37,605 |
| Advances received | 31,123 | 21,454 | 45.1 % | 18,274 |
| Interest-bearing liabilities | 10,932 | 6,800 | 60.8 % | 9,238 |
| Provisions | 2,076 | 2,020 | 2.8 % | 2,457 |
| Total current liabilities | 77,158 | 70,529 | 9.4 % | 67,574 |
| TOTAL EQUITY AND LIABILITIES | 127,038 | 118,023 | 7.6 % | 116,585 |

| CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EUR 1,000) | Equity attributable to owners of the parent company | | | | | Hybrid bond | Total equity |
|--|---|--|-----------------|-------------------|---------------|--------------|---------------|
| | Share capital | Reserve for invested non-restricted equity | Treasury shares | Retained earnings | Total | | |
| Equity on 31 December 2019 | 80 | 28,252 | -395 | -1,800 | 26,057 | 3,200 | 29,337 |
| Total comprehensive income | | | | 3,533 | 3,533 | | 3,533 |
| Hybrid bond | | | | -465 | -465 | | -465 |
| Dividend distribution | | | | -1,230 | -1,230 | | -1,230 |
| Purchase of own shares | | | -266 | | -266 | | -266 |
| Conveyance of own shares | | | 52 | | 52 | | 52 |
| Share-based incentive | | | | 279 | 279 | | 279 |
| Option scheme | | | | 33 | 33 | | 33 |
| <i>Transactions with shareholders, total</i> | | | -215 | -918 | -1,132 | | -1,132 |
| Equity on 30 September 2020 | 80 | 28,252 | -610 | 351 | 27,993 | 3,200 | 31,273 |

| | | | | | | | |
|--|-----------|---------------|-------------|---------------|---------------|--------------|---------------|
| Equity on 31 December 2018 | 80 | 28,252 | -601 | -4,313 | 23,338 | | 23,418 |
| Total comprehensive income | | | | 720 | 720 | | 720 |
| Hybrid bond | | | | -105 | -105 | 3,200 | 3,096 |
| Purchase of own shares | | | -18 | | -18 | | -18 |
| Conveyance of own shares | | | 274 | | 274 | | 274 |
| Share-based incentive | | | | -210 | -210 | | -210 |
| <i>Transactions with shareholders, total</i> | | | 257 | -210 | 47 | | 47 |
| Equity on 30 September 2019 | 80 | 28,252 | -344 | -3,907 | 24,000 | 3,200 | 27,280 |

| | | | | | | | |
|--|-----------|---------------|-------------|---------------|---------------|--------------|---------------|
| Equity on 31 December 2018 | 80 | 28,252 | -601 | -4,313 | 23,338 | | 23,418 |
| Total comprehensive income | | | | 2,676 | 2,676 | | 2,676 |
| Hybrid bond | | | | -105 | -105 | 3,200 | 3,096 |
| Purchase of own shares | | | -69 | | -69 | | -69 |
| Conveyance of own shares | | | 274 | | 274 | | 274 |
| Share-based incentive | | | | -59 | -59 | | -59 |
| <i>Transactions with shareholders, total</i> | | | 205 | -59 | 147 | | 147 |
| Equity on 31 December 2019 | 80 | 28,252 | -395 | -1,800 | 26,057 | 3,200 | 29,337 |

| CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000) | 7-9/2020 | 7-9/2019 | 1-9/2020 | 1-9/2019 | 1-12/2019 |
|---|-----------------|-----------------|-----------------|-----------------|------------------|
| Cash flows from operating activities | | | | | |
| Operating profit/loss | 2,454 | 2,089 | 5,283 | 1,810 | 4,632 |
| Adjustments: | | | | | |
| Depreciation | 795 | 890 | 2,427 | 2,684 | 3,505 |
| Other adjustments | 144 | -6 | 226 | -33 | 104 |
| Change in working capital | 1,412 | -3,215 | 7,664 | -5,027 | -3,341 |
| Operating cash flow before financial and tax items | 4,805 | -242 | 15,601 | -566 | 4,900 |
| Financial items, net | -227 | -325 | -773 | -910 | -1,218 |
| Taxes paid | -301 | 0 | -301 | 0 | 0 |
| Net cash flow from operating activities | 4,276 | -568 | 14,526 | -1,477 | 3,682 |
| Cash flows from investing activities | | | | | |
| Investments in tangible and intangible assets | -206 | -164 | -909 | -568 | -923 |
| Investments in right-of-use assets (IFRS 16) | -59 | -159 | -510 | -651 | -1,611 |
| Proceeds from sale of property, plant and equipment | 47 | 171 | 270 | 315 | 369 |
| Net cash flow from investing activities | -218 | -152 | -1,149 | -903 | -2,165 |
| Cash flows from financing activities | | | | | |
| Purchase of own shares | -169 | 0 | -266 | -18 | -69 |
| Dividend distribution | 0 | 0 | -1,230 | 0 | 0 |
| Hybrid bond | 0 | 0 | -384 | 3,095 | 3,096 |
| Payments of long-term liabilities | 0 | 0 | -500 | -500 | -1,000 |
| Change in lease liabilities | -456 | -380 | -1,022 | -926 | -455 |
| Change in other interest-bearing liabilities | -12 | -40 | 2,149 | 1,813 | 3,740 |
| Net cash flow from financing activities | -637 | -420 | -1,253 | 3,465 | 5,312 |
| Change in cash and cash equivalents | 3,421 | -1,139 | 12,125 | 1,084 | 6,829 |
| Cash and cash equivalents at period start | 18,735 | 5,427 | 10,032 | 3,203 | 3,203 |
| Cash and cash equivalents at period end | 22,157 | 4,288 | 22,157 | 4,288 | 10,032 |

Accounting principles

Consti Plc's interim financial report has been prepared for the accounting period of 1 January – 30 September 2020 according to the IAS 34 Interim Financial reporting principles. Consti has abided by the same accounting principles in its interim financial reporting as in its IFRS financial statement 2019. The information presented in the interim financial report are not audited. All figures in these accounts have been rounded. Consequently, the sum of individual figures can deviate from the presented sum figure. The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the valuation of the reported assets and liabilities, and the recognition of income and expenses in the statement of income. Although the estimates are based on the management's best knowledge of current events and actions, actual results may differ from the values given in the interim financial report. ESMA (European Securities and Markets Authority) has published guidelines on Alternative Performance Measures (APMs). Consti presents Alternative Performance Measures (APMs) to reflect the underlying business performance and to enhance comparability between financial periods. APMs should not be considered as a substitute for measures of performance in accordance with the IFRS.

Lease agreements

The impact of the leases on Consti's 1 Jan - 30 September 2020 profit or loss and balance sheet is presented in table below:

| CLASSIFICATION OF AMOUNTS RECOGNISED IN BALANCE SHEET AND PROFIT OR LOSS ACCORDING TO IFRS 16 (EUR 1,000) | Right-of-use assets | | | | Lease liabilities |
|---|--------------------------|-------------------------|-------------------------|--------------|-------------------|
| | Buildings and structures | Machinery and equipment | Other intangible assets | Total | |
| 31 Dec 2019 | 2,165 | 1,201 | 153 | 3,519 | 3,557 |
| Additions | 84 | 417 | 9 | 510 | 510 |
| Depreciations | -981 | -488 | -74 | -1,543 | - |
| Interest expense | - | - | - | - | 65 |
| Payments | - | - | - | - | -1,597 |
| 30 September 2020 | 1,267 | 1,131 | 88 | 2,485 | 2,535 |

Business areas

| NET SALES BY BUSINESS AREA (EUR 1,000) | 7-9 / 2020 | 7-9 / 2019 | Change % | 1-9 / 2020 | 1-9 / 2019 | Change % | 1-12 / 2019 |
|--|---------------|---------------|----------------|----------------|----------------|----------------|----------------|
| Housing Companies | 23,773 | 30,360 | -21.7 % | 65,015 | 86,333 | -24.7 % | 110,371 |
| Corporations | 21,529 | 27,911 | -22.9 % | 63,946 | 87,281 | -26.7 % | 119,059 |
| Public Sector | 9,790 | 10,544 | -7.1 % | 29,438 | 24,096 | 22.2 % | 33,876 |
| Building Technology | 15,922 | 17,999 | -11.5 % | 47,851 | 53,133 | -9.9 % | 69,730 |
| Parent company and eliminations | -2,812 | -4,976 | 43.5 % | -9,702 | -14,303 | 32.2 % | -18,234 |
| Total net sales | 68,202 | 81,837 | -16.7 % | 196,548 | 236,542 | -16.9 % | 314,801 |

| NET SALES CLASSIFICATION ACCORDING TO IFRS 15 (EUR 1,000) | 7-9 / 2020 | 7-9 / 2019 | Change % | 1-9 / 2020 | 1-9 / 2019 | Change % | 1-12 / 2019 |
|--|---------------|---------------|----------------|----------------|----------------|----------------|----------------|
| Project deliveries | | | | | | | |
| Housing Companies | 23,238 | 29,481 | -21.2 % | 63,542 | 84,714 | -25.0 % | 107,874 |
| Corporations | 17,983 | 24,095 | -25.4 % | 54,835 | 78,112 | -29.8 % | 106,354 |
| Public Sector | 9,790 | 10,516 | -6.9 % | 29,438 | 24,051 | 22.4 % | 33,807 |
| Building Technology | 14,001 | 15,492 | -9.6 % | 42,137 | 46,583 | -9.5 % | 58,649 |
| Parent company and eliminations | -2,811 | -4,976 | 43.5 % | -9,702 | -14,303 | 32.2 % | -18,234 |
| Total project deliveries | 62,201 | 74,608 | -16.6 % | 180,250 | 219,157 | -17.8 % | 288,450 |
| Other cost + fee projects and service contracts | | | | | | | |
| Housing Companies | 534 | 880 | -39.3 % | 1,473 | 1,620 | -9.1 % | 2,497 |
| Corporations | 3,547 | 3,815 | -7.0 % | 9,111 | 9,169 | -0.6 % | 12,705 |
| Public Sector | 0 | 27 | -100.0 % | 0 | 45 | -100.0 % | 69 |
| Building Technology | 1,920 | 2,506 | -23.4 % | 5,714 | 6,550 | -12.8 % | 11,080 |
| Parent company and eliminations | 0 | 0 | | 0 | 0 | | 0 |
| Total other cost + fee projects and service contracts | 6,001 | 7,228 | -17.0 % | 16,298 | 17,384 | -6.2 % | 26,351 |
| Total net sales | 68,202 | 81,837 | -16.7 % | 196,548 | 236,542 | -16.9 % | 314,801 |

| ACCOUNTS RECEIVABLE AND CONTRACT ASSETS AND LIABILITIES (EUR 1,000) | 30 Sep 2020 | 30 Sep 2019 | Change % | 31 Dec 2019 |
|---|-------------|-------------|----------|-------------|
| Trade receivables | 39,551 | 42,500 | -6.9 % | 37,742 |
| Receivables from project deliveries and cost + fee accruals | 7,935 | 12,688 | -37.5 % | 10,290 |
| Advances received from project deliveries and cost + fee accruals | 31,123 | 21,454 | 45.1 % | 18,274 |

In the view of the management, the carrying amount of accounts receivable is reasonably close to fair value due to the short maturity of these items.

Group liabilities

| GROUP LIABILITIES (EUR 1,000) | 30 Sep 2020 | 30 Sep 2019 | 31 Dec 2019 |
|--------------------------------|-------------|-------------|-------------|
| Other liabilities | | | |
| Leasing and rental liabilities | 45 | 33 | 29 |

The off-balance sheet leasing and rental liabilities include lease liabilities from short-term leases and lease liabilities from low value items.

Key figures

| KEY FIGURES | 1-9 / 2020 | 1-9 / 2019 | 1-12 / 2019 |
|---|---------------|---------------|----------------|
| INCOME STATEMENT (EUR 1,000) | | | |
| Net sales | 196,548 | 236,542 | 314,801 |
| EBITDA | 7,711 | 4,494 | 8,137 |
| EBITDA margin, % | 3.9 % | 1.9 % | 2.6 % |
| Operating profit/loss (EBIT) | 5,283 | 1,810 | 4,632 |
| Operating profit/loss margin, % | 2.7 % | 0.8 % | 1.5 % |
| Profit/loss before taxes (EBT) | 4,510 | 900 | 3,414 |
| as % of sales | 2.3 % | 0.4 % | 1.1 % |
| Profit/loss for the period | 3,533 | 720 | 2,676 |
| as % of sales | 1.8 % | 0.3 % | 0.9 % |
| OTHER KEY FIGURES (EUR 1,000) | | | |
| Balance sheet total | 127,038 | 118,023 | 116,585 |
| Net interest-bearing debt | 7,383 | 22,727 | 18,880 |
| Equity ratio, % | 32.6 % | 28.2 % | 29.8 % |
| Gearing, % | 23.6 % | 83.3 % | 64.4 % |
| Return on investment, ROI % | 14.1 % | -0.7 % | 8.9 % |
| Free cash flow | 14,692 | -1,134 | 3,977 |
| Cash conversion, % | 190.5 % | n/a | 48.9 % |
| Order backlog | 189,402 | 206,406 | 185,820 |
| Order intake | 159,959 | 167,967 | 214,757 |
| Average number of personnel | 982 | 1,050 | 1,037 |
| Number of personnel at period end | 959 | 1,024 | 990 |
| SHARE RELATED KEY FIGURES | | | |
| Earnings per share, undiluted (EUR) | 0.43 | 0.06 | 0.30 |
| Earnings per share, diluted (EUR) | 0.43 | 0.06 | 0.30 |
| Shareholders' equity per share (EUR) | 3.67 | 3.13 | 3.40 |
| Number of shares, end of period | 7,858,267 | 7,858,267 | 7,858,267 |
| Number of outstanding shares, end of period | 7,652,123 | 7,685,042 | 7,676,942 |
| Average number of outstanding shares | 7,673,559 | 7,678,886 | 7,679,525 |

Calculation of key figures

| | | |
|--|---|-------|
| EBITDA = | Operating profit/loss (EBIT) + depreciation, amortisation and impairment | |
| Net interest-bearing debt = | Interest-bearing liabilities - cash and cash equivalents | |
| Equity ratio (%) = | $\frac{\text{Equity}}{\text{Total assets - advances received}}$ | X 100 |
| Gearing (%) = | $\frac{\text{Interest-bearing liabilities - cash and cash equivalents}}{\text{Equity}}$ | X 100 |
| Return on investment, ROI (%) = | $\frac{\text{Profit/loss before taxes + interest and other financial expenses (r12m)}}{\text{Total equity + interest-bearing liabilities (average)}}$ | X 100 |
| Average number of personnel = | The average number of personnel at the end of each calendar month during the period | |
| Number of personnel at period end = | Number of personnel at the end of period | |
| Free cash flow = | Net cash flow from operating activities before financial and tax items - investments in intangible and tangible assets | |
| Cash conversion (%) = | $\frac{\text{Free cash flow}}{\text{EBITDA}}$ | X 100 |
| Earnings per share = | $\frac{\text{Profit/loss attributable to equity holders of the parent company - hybrid bond's transaction costs and accrued unrecognised interests after tax}}{\text{Weighted average number of shares outstanding during the period}}$ | X 100 |
| Shareholders' equity per share (EUR) = | $\frac{\text{Equity attributable to owners of the parent company}}{\text{Number of outstanding shares, end of period}}$ | |
| Order backlog = | At the end of the period the unrecognised amount of construction contracts recognised in accordance with the percentage of completion method, including not started ordered project deliveries, long-term service agreements and the part which has not been invoiced in ordered invoice based projects | |
| Order intake = | Orders of project deliveries, long-term service agreements and invoice based projects during the period | |

Quarterly information

| QUARTERLY INFORMATION (EUR 1,000) | Q3/20 | Q2/20 | Q1/20 | Q4/19 | Q3/19 | Q2/19 | Q1/19 | Q4/18 | Q3/18 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Net sales | 68,202 | 69,306 | 59,039 | 78,259 | 81,837 | 81,225 | 73,480 | 96,779 | 78,942 |
| Other operating income | 41 | 232 | 116 | 355 | 200 | 63 | 303 | 372 | 111 |
| Materials and services | -48,292 | -48,561 | -40,823 | -53,478 | -60,125 | -60,178 | -56,103 | -75,290 | -59,971 |
| Employee benefit expenses | -13,583 | -14,854 | -14,045 | -16,703 | -14,776 | -16,023 | -14,234 | -16,880 | -14,957 |
| Other operating expenses | -3,119 | -2,942 | -3,007 | -4,790 | -4,157 | -4,057 | -2,961 | -6,729 | -5,155 |
| EBITDA | 3,249 | 3,181 | 1,281 | 3,643 | 2,979 | 1,030 | 486 | -1,749 | -1,030 |
| EBITDA margin, % | 4.8 % | 4.6 % | 2.2 % | 4.7 % | 3.6 % | 1.3 % | 0.7 % | -1.8 % | -1.3 % |
| Depreciation | -795 | -813 | -819 | -821 | -890 | -910 | -883 | -404 | -406 |
| Operating profit/loss (EBIT) | 2,454 | 2,368 | 462 | 2,822 | 2,089 | 120 | -398 | -2,153 | -1,437 |
| Operating profit/loss margin, % | 3.6 % | 3.4 % | 0.8 % | 3.6 % | 2.6 % | 0.1 % | -0.5 % | -2.2 % | -1.8 % |
| Financial income | 1 | 1 | 1 | 8 | 2 | 3 | 5 | -20 | 11 |
| Financial expenses | -227 | -240 | -308 | -316 | -327 | -379 | -215 | -160 | -213 |
| Total financial income and expenses | -227 | -239 | -308 | -308 | -325 | -376 | -210 | -180 | -202 |
| Profit/loss before taxes (EBT) | 2,227 | 2,129 | 154 | 2,514 | 1,764 | -256 | -608 | -2,333 | -1,639 |
| Total taxes | -533 | -418 | -26 | -558 | -352 | 51 | 122 | 406 | 327 |
| Profit/loss for the period | 1,694 | 1,711 | 128 | 1,956 | 1,412 | -205 | -486 | -1,926 | -1,311 |
| | | | | | | | | | |
| Balance sheet total | 127,038 | 122,930 | 121,628 | 116,585 | 118,023 | 116,009 | 115,048 | 111,041 | 110,181 |
| Net interest-bearing debt | 7,383 | 11,272 | 17,760 | 18,880 | 22,727 | 22,007 | 24,001 | 19,582 | 22,460 |
| Equity ratio, % | 32.6 % | 31.0 % | 29.9 % | 29.8 % | 28.2 % | 27.2 % | 27.7 % | 25.4 % | 28.3 % |
| Gearing, % | 23.6 % | 37.9 % | 60.8 % | 64.4 % | 83.3 % | 85.2 % | 92.0 % | 83.6 % | 88.9 % |
| Return on investment, ROI % | 14.1 % | 13.7 % | 9.5 % | 8.9 % | -0.7 % | -7.5 % | -4.5 % | -4.5 % | -5.3 % |
| Order backlog | 189,402 | 211,838 | 202,220 | 185,820 | 206,406 | 226,765 | 237,763 | 225,082 | 270,072 |
| Order intake | 31,003 | 66,811 | 62,146 | 46,790 | 37,017 | 57,437 | 73,514 | 27,897 | 39,263 |
| Average number of personnel | 977 | 998 | 971 | 997 | 1,052 | 1,072 | 1,028 | 1,075 | 1,125 |
| Number of personnel at period end | 959 | 999 | 973 | 990 | 1,024 | 1,097 | 1,016 | 1,046 | 1,104 |
| | | | | | | | | | |
| Earnings per share, undiluted (EUR) | 0.21 | 0.21 | 0.01 | 0.25 | 0.17 | -0.04 | -0.08 | -0.25 | -0.17 |
| | | | | | | | | | |
| Number of outstanding shares, end of period | 7,652,123 | 7,671,123 | 7,685,123 | 7,676,942 | 7,685,042 | 7,685,042 | 7,684,849 | 7,662,216 | 7,662,216 |
| | | | | | | | | | |
| Average number of outstanding shares | 7,657,699 | 7,683,872 | 7,679,279 | 7,681,422 | 7,685,042 | 7,685,023 | 7,666,737 | 7,662,216 | 7,662,216 |

Largest shareholders

| 10 LARGEST SHAREHOLDERS 30 September 2020 | | Number of shares | % of shares and voting rights |
|---|-----------------------------------|------------------|-------------------------------|
| 1 | Lujatalo Oy | 790,000 | 10.05 % |
| 2 | Korkeela Esa | 434,133 | 5.52 % |
| 3 | Evli Suomi Pienyhtiöt Fund | 429,370 | 5.46 % |
| 4 | Heikintorppa Oy | 385,000 | 4.90 % |
| 5 | Wipunen Varainhallinta Oy | 385,000 | 4.90 % |
| 6 | Kivi Risto | 379,758 | 4.83 % |
| 7 | Danske Invest Finnish Equity Fund | 338,708 | 4.31 % |
| 8 | Kalevo Markku | 299,128 | 3.81 % |
| 9 | Eq Pohjoismaat Pienyhtiö Fund | 237,000 | 3.02 % |
| 10 | Korkeela Antti | 236,894 | 3.01 % |
| Ten largest owners, total | | 3,914,991 | 49.82 % |
| Nominee registered | | 856,346 | 10.90 % |
| Others | | 3,086,930 | 39.28 % |
| Total | | 7,858,267 | 100.00 % |

In Helsinki, 27 October 2020

Consti Plc's Board of Directors

Press conference

Microsoft Teams meeting for analysts, portfolio managers and media representatives, will take place 28 October 2020, at 10:00 a.m. (EET). The meeting will be hosted by CEO Esa Korkeela and CFO Joni Sorsanen.

Financial reporting in 2021

Consti Plc's Financial Statements Bulletin 2020 will be published 5 February 2021.

The electronic version of the annual report, which includes the full financial statements for 2020, will be published in week 11/2021.

Consti Plc's Annual General Meeting for 2021 is scheduled to take place on Wednesday, 7 April 2021 in Helsinki.

Consti Plc shall publish three interim reports during 2021:

- Interim report 1-3/2021 will be published 30 April 2021
- Half-year financial report 1-6/2021 will be published 23 July 2021
- Interim report 1-9/2021 will be published 27 October 2021

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Distribution

Nasdaq Helsinki

Key media

www.consti.fi

This communication includes future-oriented statements that are based on Consti's managements current assumptions and issues it is aware of as well as its existing decisions and plans. Although the management believes that the future expectations are well-founded, there is no certainty that these expectations will prove to be correct. Thus the results may significantly deviate from the assumptions included in the future-oriented statements as a result of issues such as changes in the economy, markets competitive conditions, legislation and regulations.