

CONSTI'S FINANCIAL STATEMENTS BULLETIN JANUARY – DECEMBER 2018

NET SALES GREW, OPERATING RESULT NEGATIVE

7 February 2019 at 8:30 am

10-12/2018 highlights (comparison figures in parenthesis 10-12/2017):

- Net sales 96.8 (86.3) million euro; growth 12.1 %
- EBITDA -1.7 (-2.1) million euro and EBITDA margin -1.8 % (-2.4%)
- Operating profit/loss (EBIT) -2.2 (-2.6) million and operating profit/loss (EBIT) margin -2.2 % (-3.0%)
- Order backlog 225.1 (225.7) million euro; change -0.3 %
- Free cash flow 1.9 (2.6) million euro
- Earnings per share -0.25 (-0.30) euro

1-12/2018 highlights (comparison figures in parenthesis 1-12/2017):

- Net sales 315.8 (300.2) million euro; growth 5.2 %
- EBITDA -0.5 (1.7) million euro and EBITDA margin -0.1 % (0.6%)
- Operating profit/loss (EBIT) -2.1 (-0.4) million and operating profit/loss (EBIT) margin -0.7 % (-0.1%)
- Free cash flow -7.1 (8.9) million euro
- Earnings per share -0,30 (-0.14) euro
- The Board of Directors proposes that no dividend will be paid for 2018

Guidance on the Group outlook for 2019:

The Company estimates that its operating result for 2019 will improve compared to 2018.

KEY FIGURES (EUR 1,000)	10-12/ 2018	10-12/ 2017	Change %	1-12/ 2018	1-12/ 2017	Change %
Net sales	96,779	86,300	12.1 %	315,762	300,203	5.2 %
EBITDA	-1,749	-2,050	14.7 %	-464	1,714	
EBITDA margin, %	-1.8 %	-2.4 %		-0.1 %	0.6 %	
Operating profit/loss (EBIT)	-2,153	-2,590	16.9 %	-2,126	-375	-466.8 %
Operating profit/loss (EBIT) margin, %	-2.2 %	-3.0 %		-0.7 %	-0.1 %	
Profit/loss for the period	-1,926	-2,294	16.0 %	-2,330	-1,074	-116.9 %
Order backlog				225,082	225,721	-0.3 %
Free cash flow	1,942	2,581	-24.8 %	-7,140	8,936	
Cash conversion, %	n/a	n/a		n/a	521.4 %	
Net interest-bearing debt				19,582	12,070	62.2 %
Gearing, %				83.6 %	47.7 %	
Return on investment, ROI %				-4.5 %	-0.7 %	
Number of personnel at period end				1,046	1,079	-3.1 %
Earnings per share, undiluted (EUR)	-0.25	-0.30	16.7 %	-0.30	-0.14	-114.3 %

CEO's Review

"Our net sales for 2018 grew 5.2 percent from the previous year and amounted to 315.8 million euro. Net sales grew both in our Building Facades and Renovation Contracting business areas. Net sales fell in Technical Building Services because we reorganised the business area and introduced both new operating models and more disciplined bidding practises.

Our annual result was negative. This was mainly due to weak profitability of project deliveries from the technical installations unit, which belongs to our Technical Building Services business area, and also from the housing repair unit, which belongs to our Building Facades business area. The profitability problems are limited to a number of projects started in 2016 and 2017, which were for the most part finished by the end of the fiscal period – apart from a few housing repair unit's projects that will be handed over in 2019.

During the year Consti had approximately 900 ongoing projects. The vast majority of these projects advanced as planned, and our profitability-improving actions had an evident positive impact on new ongoing project deliveries. In a limited number of projects, however, our performance fell clearly short of expectations. Our result for January-December was significantly weakened by the impact of negative results from two demanding building purpose modification projects.

We have continued targeted actions to return profitability in weakly performing units. In addition to resolving changes and reductions in personnel, and clarifying responsibilities in our line organisation, we have also tightened our bidding and monitoring processes even further. In future, we will not take on demanding building purpose modification projects in which the project delivery method is not balanced with the risks and profit potential of the project.

In order to accelerate the improvement of Consti's performance and carrying out our strategy, we will adjust the company's businesses and resources. The essence of the Group-wide program is to create a customer-oriented organisation structure, which moves leadership closer to production at the work sites and fosters the efficient organising of internal support services. The planned actions include structural changes and also developing common processes and operational models. The impact of the program will be communicated in more detail as plans advance.

Our market environment remained primarily good in fiscal year 2018. During January-December our new order intake amounted to 228.5 million euro, which is a 17.8 percent decrease to the strong comparison period. Due to the positive development of our new order intake toward the end of the fiscal period, our 225.1 million-euro order backlog at the end of the fiscal year was nearly at the same level as the comparison period. Based on our current market and business outlook we believe that the demand for renovations and technical building services will remain at a good level. I anticipate that the combination of our strong order backlog and our new change program will lift our performance in 2019."

Operating environment

The amount of professional renovation construction has grown nearly continuously for the past 20 years in Finland. In peak years renovation construction's value has surpassed the value of new construction. Growth has been fast compared to the rest of Europe, due to the age of our building stock.

The value of renovation construction in house building was approximately 12.7 billion euro in 2018. Both the Confederation of Finnish Construction Industries RT and Euroconstruct have estimates that house building grew about four percent in Finland during 2018. The Confederation of Finnish Construction Industries RT estimates that renovations grew 1.5 percent while Euroconstruct estimated the growth at 0.8 percent. Due to the heightened construction of residential buildings, both estimated that new construction grew approximately six percent.

Over half of renovation construction comes from renovating residential buildings. During the past two years residential building renovations declined slightly due to the rapid pace of new construction, but in 2018 renovations bounced back to a growth path. A significant portion of renovation growth comes from renovating residential buildings in growth centres. The general economic situation has a far less significant impact on renovations than it does on new construction. The need for technical renovations such as pipeline, sewer, electric and facade renovations have a much greater impact.

Obtaining skilled workforce is a challenge that hinders the growth of renovation construction. In Finland, education in the field is focused on new construction, and renovation construction requires more versatile skills, such as the ability to solve problems caused by old structures both in the planning stage and at the work site. Competition for talent in the field is not limited to contractors but it is also visible in planning and amongst developers. In addition, there is an ongoing trend in the construction industry in general where the number of parties on an individual work site is growing, which makes managing the whole challenging. The lack of skilled professionals combined with the large amount of parties at work sites unfortunately often times makes it challenging to stick to cost estimates and schedules.

The fact that renovation construction is so focused on residential buildings at the moment is largely explained by the age of the building stock. A large number of residential buildings were built soon after the World War II, and apartment buildings were built at an especially fast pace during the 1970s. At the moment primarily buildings from the 1960s and 1970s are being renovated. Buildings other than residential buildings are often younger. Although the lifespan of commercial and office premises is often shorter than residential buildings, there renovations needs are expected to grow in upcoming years all the way to the year 2030.

The Confederation of Finnish Construction Industries RT estimates that renovation construction will continue to grow approximately 1.5 percent in 2019. Euroconstruct estimates that renovation construction will grow 1.8 percent. According to Euroconstruct, residential building renovations will grow 2.0 percent and renovations of other than residential buildings will grow 1.6 percent.

In addition to the aging building stock, renovation construction, building technology and maintenance needs are maintained by heightened energy efficiency requirement, urbanisation, the need to modify the use of buildings for new purposes, the development of building technology and the aging population's need for accessible buildings. Climate change also adds to the need of facade renovations and servicing, in particular.

Group structure

Consti is one of Finland's leading companies focused on renovation and technical building services. Consti has a comprehensive service offering covering technical building services, residential pipeline renovation, renovation contracting, building façade repair and maintenance, and other renovation and technical services for demanding residential, commercial and public properties.

Consti has three business areas: Technical Building Services, Building Façades, and Renovation Contracting. All these also contain Servicing and maintenance services which is not reported as its own business area. Consti however reports its Service operations' net 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 sales, order backlog and order intake for each business area.

The Group's parent company is Consti Group Plc. The business areas operate in three subsidiaries completely owned by the parent company: Consti Talotekniikka Oy (Technical Building Services), Consti Julkisivut Oy (Building Façades) and Consti Korjausurakointi Oy (Renovation Contracting).

Long term goals

Consti's goal is to grow in the company's current market areas and to broaden the offering of Consti's full services to Finland's growth centres. The company is seeking to accomplish both organic growth and growth through acquisitions.

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

- Annual average net sales growth of at least 10 percent
- Adjusted EBIT margin of over 5 percent
- Cash conversion ratio of over 90 percent
- Net debt and adjusted EBITDA rate of under 2.5 whilst maintaining an efficient capital structure

- 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

10-12/2018

Consti Group's October-December net sales grew 12.1 percent and were 96.8 (86.3) million euro. Technical Building Services sales were 31.0 (31.5) million euro, Renovation Contracting sales were 28.5 (22.8) and Building Façades sales were 42.5 (35.4) million euro.

Net sales grew in Renovation Contracting and in Building Facades but decreased in Technical Building Services. Renovation Contracting net sales grew 25.2 percent. Most growth in Renovation Contracting net sales was from the renovation business in the Greater Helsinki area and Tampere. Building Facades net sales grew 19.9 percent mainly thanks to volume growth in housing repair business included in Building Facades business area. Technical Building Services net sales decreased 1.6 percent due to the business areas' reorganising which was started towards the end of 2017; as well as taking new operating models into use, and the more disciplined bidding activity applied to pipeline renovation services.

Operating profit/loss (EBIT) for October-December was -2.2 (-2.6) million euro. Operating profit/loss from net sales was -2.2 (-3.0) percent. Operating result for October-December 2018 was negative due to weaker than expected profitability in the housing repair unit included in the Building Facades business area. The operating result was impaired by higher than expected costs of a building purpose modification project related to a high-value property. The project has started in early 2017 and it will be finalised during the first half of 2019.

Our order backlog at the end of the reporting period EUR 225.1 (225.7) million euro was close to previous year's level with a change of -0.3 percent. The order backlog grew in Building Facades by 22.7 percent, but decreased by 2.4 percent in Renovation Contracting and by 21.8 percent Technical Building Services. In October-December the value of the new orders that Consti acquired decreased by 73.4 percent. Order intake decreased in Building Facades by 52.3 percent, in Renovation Contracting by 75.6 percent and in Technical Building Services by 71.8 percent. The decrease in new orders during October-December was caused by the tightening of project selection criteria and also the unusually large number of orders in the comparison period, which were driven up especially by two large projects.

1-12/2018

Consti Group's January-December net sales grew 5.2 percent and were 315.8 (300.2) million euro. In January-December, organic growth was 3.4 percent. Technical Building Services net sales were 108.9 (116.1) million euro, Renovation Contracting net sales were 91.4 (80.9) and Building Façades net sales were 131.5 (113.9) million euro. These figures include Service Business's net sales amounting to 40.4 (46.8) million euro.

Net sales grew in Building Facades and in Renovation Contracting but decreased in Technical Building Services. Building Facades net sales grew 15.4 percent mainly thanks to volume growth in housing repair business included in Building Facades business area. Renovation Contracting net sales grew 13.0 percent. Net sales were positively affected by the acquisitions made during the second half of 2017 as well as growth in Greater Helsinki area's renovation business. Technical Building Services net sales decreased 6.2 percent due to the business areas' reorganising which was started towards the end of 2017; as well as taking new operating models into use, and the more disciplined bidding activity applied to pipeline renovation services.

Operating profit/loss (EBIT) for January-December was -2.1 (-0.4) million euro. Operating profit/loss from net sales was -0.7 (-0.1) percent. The result for the first half-year was weakened by certain projects that were identified as low-margin in late 2017, especially finishing the remaining work on the Hotel St. George project. During the second half-year the result was weakened as well, mainly because of weak profitability

of project deliveries from the technical installations unit included in Technical Building Services business area, and also from the housing repair unit included in Building Facades business area. Our result for January-December was considerably weakened by the impact of negative results from two demanding building purpose modification projects.

The order backlog at the end of the reporting period 225.1 million euro was close to previous year's level with a change of -0.3 percent. The order intake value during January-December decreased 17.8 percent. Orders increased by 29.6 percent in Building Façades but decreased by 38.4 percent in Renovation Contracting and by 37.3 percent in Technical Building Services.

Investments and business combinations

Investments into intangible and tangible assets in October-December were 0.5 (0.3) million euro, which is 0.5 (0.4) percent of the company's net sales. Investments into tangible and intangible assets in January-December were 1.3 (1.4) million euro, which is 0.4 (0.5) percent of net sales. The largest investments were made into property, plant and equipment, which primarily include machinery and equipment purchases.

Investments related to business combinations during October-December were 0.0 (1.4) million euro. In January-December investments related to business combinations were 0.0 (4.8) million euro.

Cash flow and financial position

The operating cash flow in October-December before financing items and taxes was 2.4 (2.9) million euro. Free cash flow, i.e. operating cash flow before financing items and taxes less investments in intangible and tangible assets was 1.9 (2.6) million euro.

The January-December operating cash flow before financing items and taxes was -5.8 (10.4) million euro. Free cash flow, i.e. operating cash flow before financing items and taxes less investments in intangible and tangible assets was -7.1 (8.9) million euro. The cash flow in January-December was affected by weakened operating result as well as tied up working capital during the reporting phase, especially due to the exceptionally low net working capital level in the last quarter of 2017 and tied up working capital in Hotel St. George project included in Renovation Contracting business area.

Consti Group's cash and cash equivalents on 31 December 2018 were 3.2 (9.7) million euro. In addition, the company has undrawn revolving credit facilities amounting to 3.0 million and unused credit limits amounting to 3.0 million euro. The Group's interest bearing debts were 22.8 (21.7) 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 19.6 (12.1) million euro and the gearing ratio 83.6 (47.7) percent. Consti Group made an agreement with its financing bank in December 2018 regarding contract changes to the EBITDA calculation principles related to the Group's financial covenant at the balance sheet date. At the balance sheet date, 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 balance sheet total on 31 December 2018 was 111.0 (100.8) million euro. At the end of the reporting period tangible assets in the balance sheet were 3.9 (4.5) million euro. Equity ratio was 25.4 (28.6) percent. Rental liabilities associated with off-balance sheet operational leasing agreements totalled 3.9 (4.7) million euro on 31 December 2018.

MATURITY DISTRIBUTION OF INTEREST-BEARING DEBT (EUR 1,000)	2019	2020	2021	2022	2023	2024-	Total
Bank loans	3,558	1,520	1,492	16,749	0	0	23,319
Finance lease liabilities	83	51	48	0	0	0	182
Other interest-bearing liabilities	526	304	199	62	0	0	1,090
Total	4,167	1,875	1,739	16,811	0	0	24,592

Personnel

Consti Group had 1,046 (1,079) employees at the end of the reporting period. The average employee count during January-December was 1,093 (1,088).

At the end of the reporting period 495 (566) employees worked in Technical Building Services, 228 (201) in Renovation Contracting and 314 (304) in the Building Façades business area. The parent company employed 9 (8) people.

PERSONNEL BY SEGMENT AT PERIOD END	12/2018	12/2017
Technical Building Services	495	566
Renovation Contracting	228	201
Building Facades	314	304
Parent company	9	8
Total Group	1,046	1,079

Management Team

Consti Group 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, Consti Julkisivut Oy's CEO; Jukka Mäkinen, Consti Korjausrakointi Oy's CEO; Pekka Pöykkö, Consti Talotekniikka Oy's CEO; Markku Kalevo, Consti Julkisivut Oy's Bid and Sales Director; Pirkka Lähteinen, Consti Korjausrakointi Oy's Regional Director; Juha Salminen, CDO and Turo Turja, HR Director.

Important events during the reporting period

Consti Group Plc announced 17 October 2018 that its operating result for July-September 2018 will be negative due to weaker profitability than expected in project deliveries of technical installations business included in Technical Building Services business area and housing repair business included in Building Facades business area. In the release, Consti announced that Group's preliminary net sales for July-September 2018 amounts to EUR 78.9 million and preliminary operating result for July-September 2018 is EUR -1.4 million. In addition, Consti announced in the release that the Group's guidance for 2018 remains unchanged.

Consti Group Plc ("Consti") received an announcement from Elementa Management AB ("Elementa") on 24 October 2018, in accordance with the Finnish Securities Market Act Chapter 9, Section 5. According to the announcement, the number of Consti shares and votes owned by Elementa exceeded five (5) per cent of the share capital of Consti on 23 October 2018.

Consti Group Plc announced 13 November 2018 that it is negotiating on the renovation of Myllypuro comprehensive service centre. If realised, the project will strengthen Consti's order book for 2019 - 2021. The project will be recognised in Consti's order backlog after the final contract has been signed.

The Annual General Meeting 2018 and Board authorisations

The Annual General Meeting of Shareholders of Consti Group Plc held on 4 April 2018 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 2017. The Annual General Meeting resolved that no dividend will be paid for the financial year 2017.

The Annual General Meeting resolved that the Board of Directors consist of six members. The members of the Board of Directors, Tapio Hakakari, Antti Korkeela, Erkki Norvio, Niina Rajakoski, Petri Rignell and Pekka Salokangas were re-elected for the following term of office.

Authorised Public Accounting firm Ernst & Young Ltd was elected as the Auditor of the Company and Mikko Ryttilähti, 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 resolved that the remuneration for the Auditor shall be paid according to the Auditor's reasonable invoice.

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 authorised 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 2019.

Corporate Governance and Auditors

Consti Group Plc's Board of Directors on 31 December 2018 included Tapio Hakakari (Chairman), Antti Korkeela, Erkki Norvio, Niina Rajakoski, Petri Rignell and Pekka Salokangas. The Board of Directors elected by the Annual General Meeting of Shareholders of Consti Group Plc on 4 April 2018, 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.

Esa Korkeela Has acted as CEO of Consti Group Plc during the financial year 1 January - 31 December 2018.

On 31 December 2018, the Board members and CEO owned personally or through a holding company a total of 897,457 Consti Group Plc's shares, which amounts to 11.42 percent of the Company's entire share base and votes.

Authorised Public Accounting firm Ernst & Young Ltd has acted as the Auditor of the Company with Mikko Ryttilähti, Authorised Public Accountant as the Principal Auditor.

Consti complies with regulations of The Finnish Corporate Governance Code. In insider issues Consti complies with EU Regulation on Market Abuse ((EU) 596/2014, "MAR") and 2- and 3-tier regulation

supplementing it, the Finnish Securities Markets Act, the insider guidelines of Nasdaq Helsinki Ltd as well as guidance issued by authorities. Consti Group Plc's Board of Director's report on the Company's corporate governance from 2018 and the remuneration and incentives report from 2018 will be published on Consti Group Plc's website on week 11.

Shares and share capital

Consti Group Plc's share capital on 31 December 2018 was 80,000 euro and the number of shares 7,858,267. Consti Group 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 Group Plc's shares are added into the Book-Entry Securities System.

Trade at Nasdaq Helsinki

Consti Group 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 Group Plc is classified a small cap company within the Industrials sector. During 1 January – 31 December 2018 Consti Group Plc's lowest share price was EUR 5.20 and the highest EUR 9.52. The share's trade volume weighted average price was EUR 9.52. At the close of the stock day on the last trading day of the reporting period 28 December 2018 the share value was EUR 5.50 and the Company's market value was EUR 43.2 million.

Related-party transactions

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

Outlook for 2019

Renovation growth is expected to continue in 2019. In its November outlook, Euroconstruct estimated that Finland's renovation market will grow 1.8 percent from the previous year. The general economic situation typically has a significant impact on new construction, but a much lesser impact on renovations.

The Company estimates that its operating result for 2019 will improve compared to 2018.

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 re-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. Consti Group made an agreement with its financing bank in December 2018 regarding contract changes to the EBITDA calculation principles related to the Group's financial covenant at the balance sheet date. At the balance sheet date, 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 2017. 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 Group Plc's subsidiary 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 Korjausurakointi 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 Korjausurakointi Oy demands payments from Kiinteistö Oy Yrjönkatu 13 based on the above-mentioned contracts. According to the current estimate, the amount of capital of Consti's settlement requirement would be approximately EUR 15 million. Consti Korjausurakointi Oy has received a response from Kiinteistö Oy Yrjönkatu 13 with respect to Consti Korjausurakointi Oy's request for the initiation of arbitration proceedings dated 17 August 2018. In its response to the Arbitration Institute of the Finland Chamber of Commerce, Kiinteistö Oy Yrjönkatu 13 has denied claims stated by Consti Korjausurakointi Oy in its request for the initiation of arbitration proceedings, and announced to file a counterclaim against Consti Korjausurakointi Oy in the upcoming arbitration proceedings. Kiinteistö Oy Yrjönkatu 13 has tentatively notified to present claims against Consti Korjausurakointi Oy for the amount of capital approximately up to EUR 20 million. The amount does not include VAT. In addition, Kiinteistö Oy Yrjönkatu 13 claims interest payments and compensation for legal expenses from Consti Korjausurakointi Oy. Consti Korjausurakointi Oy considers the claims of Kiinteistö Oy Yrjönkatu 13 to be unfounded.

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 and the Board's suggestion for profit distribution

The Annual General Meeting of Shareholders held on 4 April 2018 resolved that no dividend will be paid for the financial year 2017.

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.

Consti Group Plc's distributable funds on 31 December 2018 were 49,737,721.73 euro, including retained earnings of 21,684,649.30 euro. The Board proposes to the Annual General Meeting that no dividend will be paid for the financial period 1 January – 31 December 2018. The Board of Directors plans to call the Annual General Meeting of shareholders to convene on Tuesday 2 April 2019.

Events after the reporting period

Consti Group Plc lowered its guidance for 2018 with a stock exchange release on 14 January 2019 in which the company estimated that its operating result for 2018 will decline compared to 2017. The company previously estimated that "its operating result for 2018 will grow compared to 2017".

Consti announced 7 February 2019, that Consti Group Plc's Board of Directors decided to launch a program to improve the company's profitability and competitiveness. The essence of the program is to create a customer-oriented organisation structure, which moves leadership closer to production at the work sites and fosters the efficient organising of internal support services. In addition to clarifying the service offering, the program also enables improving risk management and the organisation's ability to react. The planned actions include structural changes and also developing common processes and operational models. The new organisation will be effective as of 18 February 2019.

The program aims at achieving an approximately 2 million-euro annual cost savings. The sum includes targeted cost savings from actions carried out in the fourth quarter of 2018 to restore the performance of low-profitability units. The cost savings are expected to take effect fully from the beginning of 2020 onwards. The impact of the program will be communicated in more detail as plans are specified. The program's costs are estimated to amount to approximately 0.5 million euro and estimated to be fully expended during 2019.

Consti's new organisational structure has four business areas:

1. Renovation services for housing corporations,
2. Renovation services for corporations and real estate investors,
3. Renovation services for the public sector; and
4. Building technology contracting and maintenance

Consti is altering its segment reporting due to the change in its organisational structure. In future, its operational segments are the four aforementioned business areas, which will be combined into one reportable segment. Consti will publish information on its net sales based on the new segment reporting for the fiscal year that ended on 31 December 2018 before publishing the first interim report for 2019.

FINANCIAL STATEMENTS BULLETIN 1.1. – 31.12.2018: FINANCIAL TABLES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)	10-12/ 2018	10-12/ 2017	Change %	1-12/ 2018	1-12/ 2017	Change %
Net sales	96,779	86,300	12.1 %	315,762	300,203	5.2 %
Other operating income	372	307	21.2 %	731	850	-14.0 %
Materials and services	-75,290	-64,540	-16.7 %	-233,181	-218,324	-6.8 %
Employee benefit expenses	-16,880	-17,275	2.3 %	-62,170	-60,181	-3.3 %
Depreciation	-404	-540	25.1 %	-1,662	-2,089	20.4 %
Other operating expenses	-6,729	-6,843	1.7 %	-21,606	-20,834	-3.7 %
Operating profit/loss (EBIT)	-2,153	-2,590	16.9 %	-2,126	-375	-466.8 %
Financial income	-20	-55	63.7 %	23	22	7.5 %
Financial expenses	-160	-164	2.9 %	-734	-851	13.7 %
Total financial income and expenses	-180	-220	18.2 %	-711	-829	14.2 %
Profit/loss before taxes (EBT)	-2,333	-2,810	17.0 %	-2,837	-1,204	-135.6 %
Total taxes	406	516	-21.2 %	507	130	291.1 %
Profit/loss for the period	-1,926	-2,294	16.0 %	-2,330	-1,074	-116.9 %
Comprehensive income for the period 1)	-1,926	-2,294	16.0 %	-2,330	-1,074	-116.9 %
Earnings per share attributable to equity holders of parent company						
Earnings per share, undiluted (EUR)	-0.25	-0.30	16.7 %	-0.30	-0.14	-114.3 %
Earnings per share, diluted (EUR)	-0.25	-0.30	16.7 %	-0,30	-0.14	-114.3 %

1) The group has no other comprehensive income items.

CONSOLIDATED BALANCE SHEET (EUR 1,000)	31 Dec 2018	31 Dec 2017	Change %
ASSETS			
Non-current assets			
Property, plant and equipment	3,908	4,528	-13.7 %
Goodwill	48,604	48,604	0.0 %
Other intangible assets	254	262	-3.3 %
Shares and other non-current financial assets	17	17	0.0 %
Deferred tax receivables	1,356	808	67.8 %
Total non-current assets	54,139	54,219	-0.1 %
Current assets			
Inventories	650	550	18.1 %
Trade and other receivables	53,049	36,389	45.8 %
Cash and cash equivalents	3,203	9,652	-66.8 %
Total current assets	56,902	46,591	22.1 %
TOTAL ASSETS	111,041	100,810	10.1 %
EQUITY AND LIABILITIES			
Equity	23,418	25,281	-7.4 %
Non-current liabilities			
Interest-bearing liabilities	19,186	20,138	-4.7 %
Total non-current liabilities	19,186	20,138	-4.7 %
Current liabilities			
Trade and other payables	42,622	39,325	8.4 %
Advances received	19,020	12,531	51.8 %
Interest-bearing liabilities	3,600	1,584	127.2 %
Provisions	3,195	1,951	63.8 %
Total current liabilities	68,437	55,391	23.6 %
TOTAL EQUITY AND LIABILITIES	111,041	100,810	10.1 %

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EUR 1,000)	Equity attributable to owners of the parent					
	Share capital	Reserve for invested non- restricted equity	Treasury shares	Retained earnings	Total	Total equity
Equity on 31 December 2017	80	28,252	-601	-2,450	25,201	25,281
Changes in accounting principles (IFRS 2)				116	116	116
Equity on 1 January 2018	80	28,252	-601	-2,334	25,317	25,397
Total comprehensive income				-2,330	-2,330	-2,330
Share-based incentive				351	351	351
<i>Transactions with shareholders, total</i>				351	351	351
Equity on 31 December 2018	80	28,252	-601	-4,313	23,338	23,418

Equity on 1 January 2017	80	27,405	-446	2,604	29,563	29,643
Total comprehensive income				-1,074	-1,074	-1,074
Dividend distribution				-4,135	-4,135	-4,135
Purchase of own shares			-258		-258	-258
Conveyance of own shares		847	103		950	950
Share-based incentive				155	155	155
<i>Transactions with shareholders, total</i>		847	-155	-3,980	-3,288	-3,288
Equity on 31 December 2017	80	28,252	-601	-2,450	25,201	25,281

CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)	10-12/2018	10-12/2017	1-12/2018	1-12/2017
Cash flows from operating activities				
Operating profit/loss	-2,153	-2,590	-2,126	-375
Adjustments:				
Depreciation	404	540	1,662	2,089
Other adjustments	19	-33	118	-81
Change in working capital	4,174	4,985	-5,469	8,742
Operating cash flow before financial and tax items	2,445	2,902	-5,815	10,375
Financial items, net	-180	-220	-711	-829
Taxes paid	976	297	-184	-679
Net cash flow from operating activities	3,241	2,979	-6,711	8,867
Cash flows from investing activities				
Acquisition of subsidiaries and business operations, net of cash acquired	0	-1,249	0	-3,855
Investments in tangible and intangible assets	-503	-320	-1,325	-1,439
Proceeds from sale of property, plant and equipment	139	180	524	847
Net cash flow from investing activities	-363	-1,390	-801	-4,446
Cash flows from financing activities				
Purchase of own shares	0	-258	0	-258
Dividend distribution	0	0	0	-4,135
Proceeds from long-term liabilities	0	1,000	0	21,000
Payments of long-term liabilities	-500	-500	-1,000	-20,500
Change in other interest-bearing liabilities	142	-144	2,063	-179
Net cash flow from financing activities	-358	98	1,063	-4,072
Change in cash and cash equivalents	2,520	1,688	-6,449	348
Cash and cash equivalents at period start	683	7,965	9,652	9,304
Cash and cash equivalents at period end	3,203	9,652	3,203	9,652

Accounting principles

Consti Group Plc's financial statements bulletin has been prepared for the accounting period of 1.1. - 31.12.2018 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 2017 with the exception of the changes in accounting principles described below. Consti's financial statement 2018 has been audited and an auditor's report has been received on 6 February 2019. All figures in the abridged financial statement 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 interim reports.

Changes in accounting principles

IFRS 15 Revenue from contracts with customers

Consti Group Plc took the IFRS 15 'Revenue from contracts with customers' standard into use retrospectively adopting the IAS 8 standard from 1 January 2018 onwards. The reporting period 1 January – 31 March 2018 was the first quarter during which the Group abided to regulation in the IFRS 15 standard.

IFRS 15 replaces all standards regarding revenue from contracts with customers, IAS 11 'Construction contracts', and IAS 18 'Revenue and related interpretations'. IFRS 15 establishes a 5-step model on how to account for revenue from contracts with customers. The standard is applied to all contracts made with customers that have commercial value and in which parties involved have performance obligations. The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers, and the recognised revenue reflects the compensation that the entity expects to be entitled to in exchange for those goods or services.

The retrospective application of the standard does not have an impact on the Group's reported figures. The Group has not applied practical expedients allowed in implementing the IFRS standard.

1. Project deliveries

Project deliveries form a significant part of Consti's net sales. Project deliveries include building technology, pipeline renovations, renovation contracting, facade renovations, and other demanding renovation contracts and service contracts, which Consti has determined as significant based on both value and duration.

Identifying contracts

IFRS 15 includes criteria for assessing both contract identification and combination. If two or more simultaneous contracts have been made with the same customer or a related party of the customer relating to the same entity, the contracts are combined and handled as if they were one contract.

Combinable contracts have been identified particularly in total building technology deliveries, such as heating, water, ventilation, electricity, and automation instalments. In such cases the contracts are combined either because they are negotiated as one entity with one commercial purpose, or because the services outlined in the contract form one performance obligation.

Contract changes

Changes made in customer contracts do not typically fulfil the IFRS 15 standard's requirements for handling the change as a separate contract. The contract changes are thus handled as part of the total work. The contract changes are combined because the services related to the contract change cannot be separated from the original performance obligation.

Transition to the IFRS 15 standard does not change the manner in which Consti identifies a contract and the way in which contract changes are handled.

Identifying performance obligations

When the contract is made the promised services included in the contract are assessed and the performance obligations to the customer are identified. In Consti's project deliveries, work and material shares cannot be separated. In projects including design responsibility, the design and building phases of the project can be divided into their own performance obligations. In addition, in Consti's total deliveries, it is possible to divide work into performance obligations based on for example separate parts of construction work and building technology.

Transition to the IFRS 15 standard does not change the manner in which Consti identifies performance obligations in customer contracts.

Determining transaction price for performance obligations

The transaction price is the compensation that the Group expects to be entitled to for the provided services. In customer contracts the promised compensation can include fixed or variable monetary compensation or both. The Group's project deliveries are typically priced either as fixed price contracts, target price contracts or as cost + fee contracts.

For variable consideration the Group estimates the compensation to which it is entitled to for delivering the promised services to the customer. In estimating the variable consideration, it is essential that the amount of revenue recognised is limited to an amount in which it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when uncertainty associated with the variable consideration is subsequently resolved.

Transaction price is allocated to each performance obligation based on the compensation that the Group expects to be entitled to in exchange for transferring the promised services to the customer.

Transition to the IFRS 15 standard does not change the manner in which Consti determines transaction price or allocates transaction price to each performance obligation. The amount of revenue recognised has included management estimates, and recognition has been based on the management's best estimate on the compensation the Group expects to be entitled.

Revenue recognition

The Group recognises revenue when it fulfils its performance obligation by handing over the promised service to the customer. Consti has analysed that its project deliveries still fulfil requirements for recognising revenue over time. In project deliveries Consti's business is based on work conducted on an asset owned by the customer, in which the customer gains control of the created asset as soon as Consti's performance creates the asset. Revenue recognition occurs gradually as the project advances and the customer gains control of the promised asset.

Transition to the IFRS 15 standard does not change the manner in which Consti recognises revenue or the timing of revenue recognition.

2. Other cost + fee projects and service contracts

Other cost + fee projects and service contracts include small cost + fee based building technology, pipeline renovation, renovation contracting, facade renovations, and other worksite renovation contracts and service contracts. This category also includes technical repair and maintenance services for contract customers.

In other cost + fee projects and service contracts, revenue is recognised when Consti's performance creates an asset and the customer receives and consumes benefits acquired from the performance as the service is delivered.

NET SALES CLASSIFICATION ACCORDING TO IFRS 15 (EUR 1,000)	10-12/2018	10-12/2017	1-12/2018	1-12/2017
Project deliveries				
Technical Building Services	28,518	29,957	98,890	103,514
Renovation Contracting	26,398	20,204	83,777	71,104
Building Facades	41,424	35,589	128,631	111,398
Parent company and eliminations	-5,138	-3,341	-16,050	-10,675
Total project deliveries	91,201	82,408	295,248	275,340
Other cost + fee projects and service contracts				
Technical Building Services	2,443	1,511	10,054	12,592
Renovation Contracting	2,094	2,549	7,619	9,747
Building Facades	1,040	-168	2,840	2,524
Parent company and eliminations	0	0	0	0
Total other cost + fee projects and service contracts	5,578	3,891	20,514	24,863
Total net sales	96,779	86,300	315,762	300,203

IFRS 9 Financial instruments

IFRS 9 includes requirements regarding the classification and valuation of financial assets, new guidelines for hedge accounting, and a new model for estimating impairment of financial assets which is based on expected credit loss. Consti has not thus far applied hedge accounting and has not yet decided upon starting hedge accounting based on IFRS 9. The main impact of IFRS 9 application is limited to the new expected credit loss model applied to assessing impairment loss for the doubtful accounts receivable. Applying this standard does not, however, have a significant impact on credit loss recognition, because historically impairment of trade receivables at Consti has remained at a low level. Transition to the IFRS 9 standard does not have an impact on Consti's opening balance 2018 figures.

IFRS 2 Share-based payments

Amendments to IFRS 2 mean that share-based payments that are settled net in shares after withholding taxes, and in which the company pays in cash the taxes related to the rewards on behalf of the participants, are accounted for in full as equity-settled arrangements. Consti Group's financial statements 2017 included EUR 0.1 million as short-term liability related to the share paid in cash. Following amendments to the standard this share paid in cash has been adjusted in the opening balance from short-term liabilities to retained earnings.

Evaluation of future effects of new standards and interpretations

IFRS 16 Leases

According to IFRS 16, the lessee is required to recognise assets and liabilities for nearly all leases. There are optional exemptions for short-term leases and leases of low-value items which Consti plans to utilise. Consti plans to adopt IFRS 16 using the modified retrospective approach by recognising the cumulative effect of initially applying the standard in the opening balance sheet as at 1 January 2019, thus comparative information will not be restated.

Consti has performed a preliminary analysis of the impacts of IFRS 16 on its consolidated financial statements. The impacts of preliminary analysis are subject to changes arising from a finalisation of the analysis. The most significant impact identified is that Consti will recognise new assets and liabilities, mainly for its operating leases of facilities and vehicles. In addition, the nature of expenses related to those leases will change as IFRS 16 replaces the operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities reported under financing expenses. The adoption of new standard will also have an impact on the presentation of the consolidated statement of cash flows as realised rent payments are allocated to cash flow from financing activities for the portion corresponding to part payment of debt and to cash flow from operating activities for the portion corresponding to finance costs.

Based on the preliminary analysis Consti expects to recognise right-of-use assets and respective lease liabilities of approximately EUR 4 million as of 1 January 2019. Based on the calculation performed on the contracts that were identified at the adoption date, the adoption of the standard is not expected to have significant effect on EBIT but EBITDA is expected to increase by approximately EUR 2 million. In addition, as a result of the adoption of the standard, the cash flow from operating activities is expected to increase and cash flow from financing activities is expected to decrease respectively, approximately EUR 2 million. The analysis of the impacts of IFRS 16 will be finalised during the first quarter of 2019.

Business areas

During the reporting period, Consti Group consisted of three domestic operational segments that support each other: Technical Building Services, Renovation Contracting and Building Façades. Due to the similarity of Consti Group's management structure, the operations and business segments these operational segments are combined for the IFRS 8 segment reporting into one reportable segment, which also includes Group services and other items.

NET SALES BY SEGMENT (EUR 1,000)	10-12/ 2018	10-12/ 2017	Change %	1-12/ 2018	1-12/ 2017	Change %
Technical Building Services	30,961	31,468	-1.6 %	108,944	116,106	-6.2 %
Renovation Contracting	28,492	22,752	25.2 %	91,396	80,850	13.0 %
Building Facades	42,464	35,420	19.9 %	131,471	113,921	15.4 %
Parent company and elimin.	-5,138	-3,341	-53.8 %	-16,050	-10,675	-50.4 %
Total Net sales	96,779	86,300	12.1 %	315,762	300,203	5.2 %

ORDER INTAKE BY SEGMENT (EUR 1,000)	10-12/ 2018	10-12/ 2017	Change %	1-12/ 2018	1-12/ 2017	Change %
Technical Building Services	9,026	31,969	-71.8 %	60,935	97,180	-37.3 %
Renovation Contracting	14,188	58,151	-75.6 %	60,284	97,827	-38.4 %
Building Facades	7,986	16,741	-52.3 %	122,954	94,901	29.6 %
Parent company and elimin.	-3,304	-1,941	-70.2 %	-15,648	-11,832	-32.3 %
Total Order intake	27,897	104,920	-73.4 %	228,525	278,077	-17.8 %

ORDER BACKLOG BY SEGMENT (EUR 1,000)	10-12/ 2018	10-12/ 2017	Change %	1-12/ 2018	1-12/ 2017	Change %
Technical Building Services	56,677	72,500	-21.8 %	56,677	72,500	-21.8 %
Renovation Contracting	76,380	78,233	-2.4 %	76,380	78,233	-2.4 %
Building Facades	92,025	74,988	22.7 %	92,025	74,988	22.7 %
Total Order backlog	225,082	225,721	-0.3 %	225,082	225,721	-0.3 %

Group liabilities

GROUP LIABILITIES (EUR 1,000)	12/2018	12/2017
Other liabilities		
Leasing and rental liabilities	3,935	4,708

Key figures

KEY FIGURES (EUR 1,000)	1-12/2018	1-12/2017
INCOME STATEMENT		
Net sales	315,762	300,203
EBITDA	-464	1,714
EBITDA margin, %	-0.1 %	0.6 %
Operating profit (EBIT)	-2,126	-375
Operating profit margin, %	-0.7 %	-0.1 %
Profit/loss before taxes (EBT)	-2,837	-1,204
as % of sales	-0.9 %	-0.4 %
Profit/loss for the period	-2,330	-1,074
as % of sales	-0.7 %	-0.4 %
OTHER KEY FIGURES		
Balance sheet total	111,041	100,810
Net interest-bearing debt	19,582	12,070
Equity ratio, %	25.4 %	28.6 %
Gearing, %	83.6 %	47.7 %
Return on investment, ROI %	-4.5 %	-0.7 %
Free cash flow	-7,140	8,936
Cash conversion, %	n/a	521.4 %
Order backlog	225,082	225,721
Order intake	228,525	278,077
Average number of personnel	1,093	1,088
Number of personnel at period end	1,046	1,079
SHARE RELATED KEY FIGURES		
Earnings per share, undiluted (EUR)	-0.30	-0.14
Earnings per share, diluted (EUR)	-0.30	-0.14
Shareholders' equity per share (EUR)	3.06	3.30
Number of shares, end of period	7,858,267	7,858,267
Number of outstanding shares, end of period	7,662,216	7,662,216
Average number of outstanding shares	7,662,216	7,660,253

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 (%) =	$\frac{\text{Equity}}{\text{Total assets} - \text{advances received}}$
Gearing (%) =	$\frac{\text{Interest-bearing liabilities} - \text{cash and cash equivalents}}{\text{Equity}}$
Return on investment, ROI (%) =	$\frac{\text{Profit/loss before taxes} + \text{interest and other financial expenses (rolling 12 month)}}{\text{Total equity} + \text{interest-bearing liabilities (average)}}$
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 (%) =	$\frac{\text{Free cash flow}}{\text{EBITDA}}$
Earnings per share =	$\frac{\text{Profit attributable to equity holders of the parent company}}{\text{Weighted average number of shares outstanding during the period}}$
Adjusted EBITDA =	EBITDA before items affecting comparability (IAC)
Adjusted operating profit/loss (EBIT) =	Operating profit/loss (EBIT) before items affecting comparability (IAC)
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 construction contracts, long-term service agreements and the part which has not been invoiced in ordered invoice based projects
Order intake =	Orders of construction contracts, long-term service agreements and invoice based projects during the period

Quarterly information

QUARTERLY INFORMATION (EUR 1,000)	Q4/18	Q3/18	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16
Net sales	96,779	78,942	77,773	62,267	86,300	77,824	78,811	57,268	74,823
Other operating income	372	111	100	148	307	232	168	143	187
Materials and services	-75,290	-59,971	-54,162	-43,757	-64,540	-58,567	-55,468	-39,749	-50,491
Employee benefit expenses	-16,880	-14,957	-15,843	-14,490	-17,275	-15,031	-15,397	-12,479	-14,682
Other operating expenses	-6,729	-5,155	-5,784	-3,937	-6,843	-4,672	-4,908	-4,411	-4,945
EBITDA	-1,749	-1,030	2,084	231	-2,050	-214	3,206	772	4,892
EBITDA margin, %	-1.8 %	-1.3 %	2.7 %	0.4 %	-2.4 %	-0.3 %	4.1 %	1.3 %	6.5 %
Depreciation	-404	-406	-420	-432	-540	-546	-509	-494	-446
Operating profit/loss (EBIT)	-2,153	-1,437	1,664	-201	-2,590	-760	2,697	278	4,447
Operating profit/loss margin, %	-2.2 %	-1.8 %	2.1 %	-0.3 %	-3.0 %	-1.0 %	3.4 %	0.5 %	5.9 %
Financial income	-20	11	23	9	-55	45	21	11	11
Financial expenses	-160	-213	-192	-169	-164	-243	-223	-220	-202
Total financial income and expenses	-180	-202	-169	-160	-220	-198	-202	-209	-192
Profit/loss before taxes (EBT)	-2,333	-1,639	1,495	-360	-2,810	-958	2,495	69	4,255
Total taxes	406	327	-301	74	516	165	-499	-52	-870
Profit/loss for the period	-1,926	-1,311	1,194	-286	-2,294	-793	1,996	17	3,385
Balance sheet total	111,041	110,181	112,582	98,738	100,810	103,226	101,130	95,197	98,078
Net interest-bearing debt	19,582	22,460	18,455	20,295	12,070	13,402	15,514	15,036	12,097
Equity ratio, %	25.4 %	28.3 %	29.3 %	30.9 %	28.6 %	31.9 %	32.9 %	37.2 %	34.5 %
Gearing, %	83.6 %	88.9 %	69.7 %	80.5 %	47.7 %	48.6 %	55.0 %	49.7 %	40.8 %
Return on investment, ROI %	-4.5 %	-5.3 %	-3.8 %	-1.7 %	-0.7 %	14.0 %	23.7 %	22.8 %	22.7 %
Order backlog	225,082	270,072	286,201	250,177	225,721	198,759	227,907	212,910	190,806
Order intake	27,897	39,263	88,678	72,687	104,920	30,682	82,976	59,499	66,059
Average number of personnel	1,075	1,125	1,110	1,061	1,099	1,153	1,108	993	941
Number of personnel at period end	1,046	1,104	1,153	1,053	1,079	1,117	1,165	1,029	935
Earnings per share, undiluted (EUR)	-0.25	-0.17	0.16	-0.04	-0.30	-0.10	0.26	0.00	0.44
Number of outstanding shares, end of period	7,662,216	7,662,216	7,662,216	7,662,216	7,662,216	7,670,154	7,657,048	7,657,048	7,620,931
Average number of outstanding shares	7,662,216	7,662,216	7,662,216	7,662,216	7,672,147	7,669,727	7,657,048	7,641,652	7,617,179

Largest shareholders

10 LARGEST SHAREHOLDERS 31 December 2018		Number of shares	% of shares and voting rights
1	Ilmarinen Mutual Pension Insurance Company	780,451	9.93 %
2	Evli Suomi Pienyhtiöt Fund	490,000	6.24 %
3	Danske Invest Suomi Yhteisöosake Fund	425,818	5.42 %
4	Korkeela Esa	411,600	5.24 %
5	Kivi Risto	375,300	4.78 %
6	Op-Suomi Pienyhtiöt Fund	307,977	3.92 %
7	Kalevo Markku	297,900	3.79 %
8	Korkeela Antti	276,894	3.52 %
9	Aktia Capital Fund	185,850	2.37 %
10	Eq Pohjoismaat Pienyhtiö Fund	181,624	2.31 %
Ten largest owners, total		3,733,414	47.51 %
Nominee registered		1,141,144	14.52 %
Others		2,983,709	37.97 %
Total		7,858,267	100.00 %

In Helsinki, 6 February 2019

Consti Group Plc's Board of Directors

Press conference

A press conference for analysts, portfolio managers, and media will be arranged 7 February 2019 at 10:00 at Hotel Glo conference room Video Wall at Kluuvikatu 4, Helsinki. The conference is hosted by CEO Esa Korkeela and CFO Joni Sorsanen.

Financial reporting in 2019

Consti will publish its Financial Statements, Board of Directors' Report, Auditors' Report, and Corporate Governance Statement on the company website during week 11/2019.

Consti Group Plc's Annual General Meeting shall be arranged on Tuesday 2 April 2019 in Helsinki. Invitation to the Annual General Meeting will be published later as a separate Stock Exchange release.

Consti Group Plc shall publish three interim reports during 2019:

- Interim report 1-3/2019 published 26 April 2019
- Half-year financial report 1-6/2019 published 26 July 2019
- Interim report 1-9/2019 published 25 October 2019

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Distribution

Nasdaq Helsinki

Key media

www.consti.fi

This communication includes future-oriented statements that are based on Consti's management's 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.