CONSTI'S FINANCIAL STATEMENTS BULLETIN JANUARY – DECEMBER 2019

PROFITABILITY AND CASH FLOW IMPROVED

7 February 2020 at 8:30 am

10-12/2019 highlights (comparison figures in parenthesis 10-12/2018):

- Net sales 78.3 (96.8) million euro; change -19.1 %
- EBITDA 3.6 (-1.7) million euro and EBITDA margin 4.7 % (-1.8%)
- Operating profit/loss (EBIT) 2.8 (-2.2) million and operating profit/loss (EBIT) margin 3.6 % (-2.2%)
- Order backlog 185.8 (225.1) million euro; change -17.4 %
- Free cash flow 5.1 (1.9) million euro
- Earnings per share 0.25 (-0.25) euro

1–12/2019 highlights (comparison figures in parenthesis 1–12/2018):

- Net sales 314.8 (315.8) million euro; change -0.3 %
- EBITDA 8.1 (-0.5) million euro and EBITDA margin 2.6 % (-0.1%)
- Operating profit/loss (EBIT) 4.6 (-2.1) million and operating profit/loss (EBIT) margin 1.5 % (-0.7%)
- Free cash flow 4.0 (-7.1) million euro
- Earnings per share 0,30 (-0.30) euro
- The Board of Directors proposes a dividend of EUR 0.16 per share

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)	10-12/ 2019	10-12/ 2018	Change %	1-12/ 2019	1-12/ 2018	Change %
Net sales	78,259	96,779	-19.1 %	314,801	315,762	-0.3 %
EBITDA	3,643	-1,749		8,137	-464	
EBITDA margin, %	4.7 %	-1.8 %		2.6 %	-0.1 %	
Operating profit/loss (EBIT)	2,822	-2,153		4,632	-2,126	
Operating profit/loss (EBIT) margin, %	3.6 %	-2.2 %		1.5 %	-0.7 %	
Profit/loss for the period	1,956	-1,926		2,676	-2,330	
Order backlog				185,820	225,082	-17.4 %
Free cash flow	5,111	1,942	163.2 %	3,977	-7,140	
Cash conversion, %	140.3 %	n/a		48.9 %	n/a	
Net interest-bearing debt				18,880	19,582	-3.6 %
Gearing, %				64.4 %	83.6 %	
Return on investment, ROI %				8.9 %	-4.5 %	
Number of personnel at period end				990	1,046	-5.4 %
Earnings per share, undiluted (EUR)	0.25	-0.25		0.30	-0.30	

The impacts of IFRS 16 –standard on the reported figures are described in the accounting principles included in the financial tables of the Financial Statements Bulletin.

CEO's Review

"Our net sales for 2019 amounted to 314.8 million euro, ending up at nearly last year's level. As expected, our net sales for the last quarter fell short of the strong comparison period.

Our operating result for the financial period improved each quarter towards the end of the year and was clearly better than the comparison period. Our operating result for October-December was 2.8 (-2.2) million euro, which is 3.6 (-2.2) percent of net sales. Our operating result for the entire year 2019 was 4.6 (-2.1) million euro which is 1.5 (-0.7) percent of net sales. All our business areas had profitable operating results for fiscal year 2019. During the year Consti had approximately 800 projects ongoing. Except for a few old projects from the already discontinued housing repair unit, all of our projects predominantly advanced as planned. Due to our improved operating result, cash flow in January-December also improved considerably compared to the previous year.

In fiscal year 2019, we continued implementing our turnaround programme to improve Consti's profitability and competitiveness. The programme advanced as planned during the year. The actions we carried out enabled us to improve our organisation's customer orientation, risk management, and agility, in addition to which we were able to move business leadership closer to production at our worksites. We also achieved the cost savings goals established in our turnaround programme, and consequently, two-million-euro annual cost savings will begin to impact our result fully from the beginning of 2020 onwards. Due to the actions that we have carried out, our fixed costs for 2019 were also lower than they were in the comparison period.

Our market environment remained mainly good in fiscal year 2019. During the year we received new orders amounting to 214.8 million euro, which is a 6.0 percent decrease from the comparison period. Our order backlog at the end of the year was 185.8 million euro. Our order intake in the last quarter 46.8 million euro (27.9) was significantly higher than in the comparison period, but nevertheless our order backlog at the end of the year fell short 17.4 percent from the order backlog at the end of the previous fiscal year. The whole year's order intake and order backlog development reflect the group-wide more disciplined bidding procedures and resources tied up by ongoing large comprehensive renovation projects. All in all, the quality of our order backlog improved steadily throughout the fiscal year.

Based on our present market and business outlook we believe that the demand for renovations and building technology services will remain at a moderate level in 2020 in Consti's market areas. I expect that together, the improved quality of our order backlog and successful implementation of our turnaround programme will improve our performance in 2020."

Operating environment

Professional renovation construction 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 construction's share of all construction is estimated to have been approximately 48 percent.

The renovation construction market's growth is estimated to have been about 1-2 percent in 2019. According to Euroconstruct, the house building market as a whole declined approximately 1.5 percent. The Confederation of Finnish Construction Industries (CFCI) estimates that renovation construction grew nearly two percent in 2019 and Euroconstruct estimates it grew 0.9 percent.

New construction decreased about 3.6 percent in 2019 according to Euroconstruct. In new construction the emphasis was on public buildings such as schools and hospitals, and commercial buildings. Residential new construction decreased after growing rapidly during past years. CFCI estimates that residential new construction decreased 5.0 percent, while Euroconstruct's estimate is 7.6 percent. No significant changes occurred in the amount of other new construction.

Both renovation construction 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 construction was slightly over 13 billion euro in 2019. Residential buildings made up 8 billion euro of this amount. The majority of renovations were conducted in apartment buildings and rowhouses. Renovation construction is need driven and thus economic fluctuation has a lesser impact on it than it does on new construction.

The demand for renovation construction 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 scale of construction in the 1970s is showcased by the fact that housing companies built in the 1970s have a total of about 60 million square meters of net floor area, while housing companies built in the 1960s only have about 35 million square meters of net floor area. However, housing companies from the 1960s have still been renovated most when looking at the value of the renovations in proportion to the net floor area.

Pipeline renovations are the most rapidly growing area of renovation construction. In the past years building technology renovations have made up nearly half of all housing company renovations and approximately three quarters of these building technology renovations have been pipeline renovations. Structures and facades are the second largest object of renovation activity, making up nearly 40 percent of all renovations.

Measured by the value of renovations, building technology renovations in housing companies built in the 1960s are clearly the largest group. In proportion to net floor area, facades are also renovated most in housing companies from the 1960s, but the value of renovations is more evenly distributed across housing companies from different decades. Windows, external doors, foundations and structures are renovated most in older housing companies, while roof renovation value is largest in housing companies from the 1980s. Pipeline renovations are also increasing in housing companies from the 1980s.

Both renovation and new construction has increased for several years now in public buildings such as schools and hospitals. Especially new construction has increased considerably. Public building construction is, however, estimated to slow down in upcoming years, and this in turn is estimated to significantly impact the construction market as a whole.

The market for renovation construction is estimated to continue to grow relatively steadily, and faster than new construction. The demand for renovation construction 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. Commercial and service facilities do not necessarily meet present-day needs. New construction of commercial and office buildings is estimated to decrease in upcoming years.

Megatrends such as aging population, urbanisation and climate change also add to the need of renovation construction. 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 construction 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.

Euroconstruct estimates that building renovations will grow 1.2 percent in 2020 and that the annual growth will remain at approximately 1.6 percent during 2021 and 2022. Euroconstruct estimates that new construction will decrease 2.4 percent in 2020. The whole market for housebuilding is estimated to decrease about 0.7 percent.

The slowing down of new construction is expected to improve workforce availability, but it may simultaneously intensify competition especially for large renovation projects.

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.

On 6 February 2019, 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. The new organisation has been effective since 18 February 2019.

New organisational structure 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 Group Plc. Until 30 September 2019, the business areas operated in three subsidiaries completely owned by the parent company: Consti Talotekniikka Oy (Technical Building Services), Consti Julkisivut Oy (Building Facades) and Consti Korjausurakointi Oy (Renovation Contracting). Since 1 October 2019, 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). Consti Korjausrakentaminen Oy was formed on 1 October, 2019, when Consti Julkisivut Oy merged with Consti Korjausurakointi Oy, and Consti Korjausurakointi Oy's name was changed to Consti Korjausrakentaminen Oy. In the partial demerger that was carried out on balance sheet date 31.12.2019, Consti Talotekniikka Oy's pipeline renovation business moved to Consti Korjausrakentaminen Oy.

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 and adjusted EBITDA rate 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

10-12/2019

Consti Group's October-December net sales decreased 19.1 percent and were 78.3 (96.8) million euro. Housing Companies net sales were 24.0 (32.4), Corporations net sales were 31.8 (42.0) Public Sector net sales were 9.8 (7.2) and Building Technology net sales were 16.6 (20.4) million euro.

Net sales grew in Public Sector but decreased in Housing Companies, in Corporations and in Building Technology. Public Sector business area's net sales grew as planned in relation to the low levels of the comparison period. In Housing Companies business area, net sales declined especially due to the volume decrease in pipeline renovation business. In Corporations business area, net sales from non-residential renovations grew, but net sales from residential renovations decreased due to the housing repair unit's reorganization, which commenced at the end of 2018. In Building Technology business area, net sales development was affected by the volume decrease in building technology installations business in greater Helsinki area compared to the same period in last year.

Operating profit/loss (EBIT) for October-December was 2.8 (-2.2) million euro. Operating profit/loss from net sales was 3.6 (-2.2) percent. Operating result for October-December 2019 improved compared to the previous quarter and was clearly better than that of the comparison period. Profitability development was mainly positive during the last quarter of 2019. All business areas were profitable in the reporting period.

The order backlog at the end of the reporting period decreased 17.4 percent and was EUR 185.8 (225.1) million euro. In October-December the value of the new orders that Consti received increased by 67.7 percent and was 46.8 (27.9) million euro.

1–12/2019

Consti Group's January-December net sales 314.8 (315.8) million euro were close to previous year's level with a change of -0.3 percent. Housing Companies net sales were 110.4 (104.3), Corporations net sales were 119.1 (134.3) Public Sector net sales were 33.9 (18.0) and Building Technology net sales were 69.7 (75.2) million euro. These figures include Service Business's net sales amounting to 42.6 (40.4) million euro.

Net sales grew in Housing Companies and in Public Sector but decreased in Corporations and in Building Technology. In Housing Companies business area, net sales growth was good especially in facade renovations. Public Sector business area's net sales grew as planned in relation to the low levels of the comparison period. Net sales in Consti's Corporations business area decreased from the comparison period. Net sales from non-residential renovations grew, but net sales from residential renovations decreased due to the housing repair unit's reorganization, which commenced at the end of 2018. Previously introduced new operating models and more disciplined bidding processes reflect the development of net sales in Building Technology business area.

Operating profit/loss (EBIT) for January-December was 4.6 (-2.1) million euro. Operating profit/loss from net sales was 1.5 (-0.7) percent. EBIT improved each quarter towards the end of the year and was clearly better than the comparison period. During the first half of the year, the execution of the remaining performance obligations in an individual building purpose modification project had a material negative impact on the result. Although the old projects of already discontinued housing repair unit continued to have a negative impact on operating result during the second half of the year, as anticipated, the impact was clearly smaller than at the beginning of the year. All business areas were profitable in the financial year 2019.

The order backlog at the end of the reporting period decreased 17.4 percent compared to the end of the previous financial year and was 185.8 million euro. The order intake value during January-December decreased 6.0 percent and was 214.8 (228.5) million euro. Order intake development reflects the new, more disciplined bidding procedures that were taken into use in the entire Group last year, and ongoing large comprehensive renovation projects, which tie up resources.

Investments and business combinations

Investments into intangible and tangible assets in October-December were 0.4 (0.5) million euro, which is 0.5 (0.5) percent of the company's net sales. Investments into tangible and intangible assets in January-December were 0.9 (1.3) million euro, which is 0.3 (0.4) 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-December were EUR 1.6 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, and the continued rental contract of Consti's headquarters in Helsinki.

Cash flow and financial position

The operating cash flow in October-December before financing items and taxes was 5.5 (2.4) million euro.

Free cash flow, i.e. operating cash flow before financing items and taxes less investments in intangible and tangible assets was 5.1 (1.9) million euro. The cash flow ratio in October-December was 140.3 percent. October-December cash flow was affected by the improvement of operating result and released working capital during the period.

The January-December operating cash flow before financing items and taxes was 4.9 (-5.8) million euro. Free cash flow, i.e. operating cash flow before financing items and taxes less investments in intangible and tangible assets was 4.0 (-7.1) million euro. The cash flow ratio in January-December was 48.9 percent. Due to the improved operating result, cash flow in January-December improved considerably compared to the previous year.

Consti Group's cash and cash equivalents on 31 December 2019 were 10.0 (3.2) 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 28.9 (22.8) 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 18.9 (19.6) million euro and the gearing ratio 64.4 (83.6) percent. 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 adoption of IFRS 16 standard increased the amount of interest-bearing net debt by EUR 3.6 million and raised gearing by approximately 12.2 percentage points at the balance sheet date 31 December 2019, but it will not affect the covenant calculations of the Group's external financing arrangement. The calculation of covenants will continue with the financing bank in accordance with the accounting principles confirmed in the original financing arrangement.

Consti Group issued on 29 March 2019 a EUR 3.2 million hybrid bond. A hybrid bond is an instrument that is subordinated to certain other debt obligations and is treated as equity on Consti's consolidated financial statements prepared in accordance with IFRS. The amount recognised in equity is EUR 3.1 million after issuing expenses. The bond bears interest at a fixed interest rate of 12.0 per cent until the reset date and thereafter, the interest rate will be determined on each second (2) anniversary of the issue date. The hybrid bond does not have a specified maturity date but Consti is entitled to redeem the hybrid bond for the first time on the second (2) anniversary of the issue date, and subsequently, on each annual coupon interest payment date. A hybrid bond does not confer its holder the rights of a shareholder nor does it dilute the holdings of the current shareholders. The accrued non-recognised interest on the bond was EUR 0.3 million at 31 December 2019.

The balance sheet total on 31 December 2019 was 116.6 (111.0) million euro. At the end of the reporting period tangible assets in the balance sheet were 6.3 (3.9) million euro. The increase in tangible assets is affected by the adoption of IFRS 16 standard on 1 Jan 2019, the impact of which is described in more detail in the accounting principles included in the financial tables of the financial statements bulletin. Equity ratio was 29.8 (25.4) percent. Rental liabilities associated with off-balance sheet operational leasing agreements totalled 0.03 (3.9) million euro on 31 December 2019. The decrease in rental liabilities associated with off-balance sheet operational leasing agreements is affected by the adoption of IFRS 16 standard on 1 Jan 2019, the impact of which is described in more detail in the accounting principles included in the financial tables of the financial statements bulletin.

On 24 October, 2019 Consti Group Plc signed a contract for a EUR 50 million domestic commercial paper program. Within the framework of the contract, the company may issue commercial papers with maturities of under one year. The financing arrangement broadens Consti's financing base and secures the Group's normal working capital financing. The program is arranged by OP Corporate Bank Plc. Within the framework of its domestic commercial paper programme, Consti issued commercial papers with maturities of under one year amounting to 6.0 million euro during the last quarter.

MATURITY DISTRIBUTION OF INTEREST-BEARING DEBT (EUR 1,000)	2020	2021	2022	2023	2024	2025-	Total
Bank loans	1,411	1,388	16,697	0	0	0	**19,496**
Commercial papers	6,000	0	0	0	0	0	**6,000**
Lease liabilities	1,950	1,253	382	90	2	0	**3,677**
Other interest-bearing liabilities	397	315	173	40	0	0	**925**
Total	**9,757**	**2,956**	**17,252**	**129**	**2**	**0**	**30,097**

Personnel

Consti Group had 990 (1,046) employees at the end of the reporting period. The average employee count during January-December was 1,037 (1,093).

At the end of the reporting period 346 employees worked in Housing Companies, 237 in Corporations, 42 in Public Sector and 356 in the Building Technology business area. The parent company employed 9 people.

PERSONNEL AT PERIOD END	Housing Companies	Corporations	Public Sector	Building Technology	Parent company	Group
31 March 2019	366	246	42	353	9	**1,016**
30 June 2019	421	261	43	362	10	**1,097**
30 September 2019	360	250	47	358	9	**1,024**
31 December 2019	346	237	42	356	9	**990**

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, 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 material events have been disclosed during the reporting period.

The Annual General Meeting 2019 and Board authorisations

The Annual General Meeting of Shareholders of Consti Group Plc held on 2 April 2019 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 2018. The Annual General Meeting resolved that no dividend will be paid for the financial year 2018.

The Annual General Meeting resolved that the Board of Directors consists of six members. The current members of the Board of Directors, Tapio Hakakari, Antti Korkeela, Erkki Norvio, Petri Rignell and Pekka Salokangas were re-elected and Anne Westersund 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

Mikko Rytilahti, 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 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 2020.

Corporate Governance and Auditors

Consti Group Plc’s Board of Directors on 31 December 2019 included Tapio Hakakari (Chairman), Antti Korkeela, Erkki Norvio, Petri Rignell, Pekka Salokangas and Anne Westersund. The Board of Directors elected by the Annual General Meeting of Shareholders of Consti Group Plc on 2 April 2019, held its organising meeting and elected Tapio Hakakari as the Chairman of the Board and Erkki Norvio as the Deputy 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 2019.

On 31 December 2019, the Board members and CEO owned personally or through a holding company a total of 949,990 Consti Group Plc’s shares, which amounts to 12.09 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 Rytilahti, 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 2019 and the remuneration and incentives report from 2019 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 2019 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.

Share based bonus schemes

Consti Group Plc's Board decided on 1 March 2019 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 2019 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 2019 will be paid to participants partly in shares and partly in cash after a two-year vesting period in 2022. During the performance period 2019, a maximum of 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 2019 will amount up to a maximum total of approximately 450,000 Consti Group 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.

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 2019 Consti Group Plc's lowest share price was EUR 4.76 (5.20) and the highest EUR 6.60 (9.52). The share's trade volume weighted average price was EUR 5.41 (8.24). At the close of the stock day on the last trading day of the reporting period 30 December 2019 the share value was EUR 6.40 (5.50) and the Company's market value was EUR 50.3 (43.2) million.

Related-party transactions

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

Outlook for 2020

Renovation growth is expected to continue in 2020. In its November outlook, Euroconstruct estimated that Finland's renovation market will grow 1.2 percent from the previous year. Euroconstruct estimates that new construction will decrease 2.4 percent in 2020. The slowing down of new construction is expected to improve workforce availability, but it may simultaneously intensify competition especially for large renovation projects.

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 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 re-porting 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. 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 2018. Financial risks and their management is described in detail in note 17 to the financial statements "Financial risk management".

Hotel St. George construction project

Consti Group 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. The amount of capital of Consti's settlement requirement has been stipulated as approximately 13 million euro in the statement of claim sent to the arbitral tribunal on 28 February 2019. Consti Korjausrakentaminen Oy has received on 16 August 2019 a response and counterclaim from Kiinteistö Oy Yrjönkatu 13 with respect to the statement of claim sent to the arbitral tribunal by Consti Korjausrakentaminen Oy on 28 February 2019. In its response and counterclaim, Kiinteistö Oy Yrjönkatu 13 has denied all claims stated by Consti Korjausrakentaminen Oy in its statement of claim, and has presented claims against Consti Korjausrakentaminen Oy for the amount of capital approximately EUR 11 million. The amount does not include VAT. In addition, Kiinteistö Oy Yrjönkatu 13 claims interest payments and compensation for legal expenses from Consti Korjausrakentaminen Oy. Consti Korjausrakentaminen Oy considers the claims of Kiinteistö Oy Yrjönkatu 13 to be unfounded.

On 18 September, 2019, the Arbitration Institute decided to extend the time limit given for the delivery of final arbitral award until 31 December, 2020. 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 2 April 2019 resolved that no dividend will be paid for the financial year 2018.

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 2019 were 52,978,529.78 euro, including retained earnings of 24,925,457.35 euro. The Board proposes to the Annual General Meeting that a dividend of 0.16 euro per share be paid for the financial period 1 January – 31 December 2019. The Board of Directors plans to call the Annual General Meeting of shareholders to convene on Monday 6 April 2020.

Events after the reporting period

Consti Group Plc announced 7 February 2020 that Consti Group Plc's Board has assessed the company's current strategy and financial targets during the ongoing strategy period in light of the changes that have occurred in the market and competitive environment, as well as the development of Consti's operations. As a result of the assessment the Board determined that the strategy is still valid. During the ongoing strategy period the strategy focus has been adjusted to match the company's operational development especially by underlining the importance of Consti's Profitable and Competitive Operations initiative and by renewing the group's organisational structure.

Alongside strategy work Consti's Board renewed the company's long-term financial targets. Net sales target is now tied to market growth. Long-term targets relating to profitability, cash flow and capital structure have remained unchanged.

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

- Growth: net sales growing faster than the market (changed)
- Profitability: EBIT margin exceeding 5 percent (unchanged)
- Free cash flow: Cash conversion ratio exceeding 90 percent (unchanged)
- Balance sheet structure: Net debt and adjusted EBITDA rate less than 2.5x (unchanged)

The Company’s aim is to distribute as dividends at least 50 percent of the Company’s annual net profit.

FINANCIAL STATEMENTS BULLETIN 1.1. - 31.12.2019: FINANCIAL TABLES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)	10-12 / 2019	10-12 / 2018	Change %	1-12 / 2019	1-12 / 2018	Change %
Net sales	**78,259**	**96,779**	**-19.1 %**	**314,801**	**315,762**	**-0.3 %**
Other operating income	355	372	-4.6 %	921	731	26.0 %
Materials and services	-53,478	-75,290	29.0 %	-229,884	-233,181	1.4 %
Employee benefit expenses	-16,703	-16,880	1.0 %	-61,736	-62,170	0.7 %
Depreciation	-821	-404	-103.1 %	-3,505	-1,662	-110.9 %
Other operating expenses	-4,790	-6,729	28.8 %	-15,965	-21,606	26.1 %
Operating profit/loss (EBIT)	**2,822**	**-2,153**		**4,632**	**-2,126**	
Financial income	8	-20		18	23	-22.9 %
Financial expenses	-316	-160	-97.6 %	-1,236	-734	-68.3 %
Total financial income and expenses	-308	-180	-71.2 %	-1,218	-711	-71.3 %
Profit/loss before taxes (EBT)	**2,514**	**-2,333**		**3,414**	**-2,837**	
Total taxes	-558	406		-738	507	
Profit/loss for the period	**1,956**	**-1,926**		**2,676**	**-2,330**	
Comprehensive income for the period 1)	**1,956**	**-1,926**		**2,676**	**-2,330**	
Earnings per share attributable to equity holders of parent company						
Earnings per share, undiluted (EUR)	0.25	-0.25		0.30	-0.30	
Earnings per share, diluted (EUR)	0.25	-0.25		0.30	-0.30	

1) The group has no other comprehensive income items.

CONSOLIDATED BALANCE SHEET (EUR 1,000)	31 Dec 2019	31 Dec 2018	Change %
ASSETS			
Non-current assets			
Property, plant and equipment	6,338	3,908	62.2 %
Goodwill	48,604	48,604	0.0 %
Other intangible assets	437	254	72.4 %
Shares and other non-current financial assets	17	17	0.0 %
Deferred tax receivables	741	1,356	-45.4 %
Total non-current assets	**56,137**	**54,139**	**3.7 %**
Current assets			
Inventories	630	650	-3.0 %
Trade and other receivables	49,786	53,049	-6.2 %
Cash and cash equivalents	10,032	3,203	213.2 %
Total current assets	**60,448**	**56,902**	**6.2 %**
TOTAL ASSETS	**116,585**	**111,041**	**5.0 %**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent company	26,137	23,418	11.6 %
Hybrid bond	3,200	0	
Total Equity	**29,337**	**23,418**	**25.3 %**
Non-current liabilities			
Interest-bearing liabilities	19,675	19,186	2.5 %
Total non-current liabilities	**19,675**	**19,186**	**2.5 %**
Current liabilities			
Trade and other payables	37,605	42,622	-11.8 %
Advances received	18,274	19,020	-3.9 %
Interest-bearing liabilities	9,238	3,600	156.6 %
Provisions	2,457	3,195	-23.1 %
Total current liabilities	**67,574**	**68,437**	**-1.3 %**
TOTAL EQUITY AND LIABILITIES	**116,585**	**111,041**	**5.0 %**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EUR 1,000)	Equity attributable to owners of the parent company						
	Share capital	Reserve for invested non-restricted equity	Treasury shares	Retained earnings	Total	Hybrid bond	Total equity
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**
Transactions with shareholders, total			*205*	*-59*	*147*		***147***
Equity on 31 December 2019	**80**	**28,252**	**-395**	**-1,800**	**26,057**	**3,200**	**29,337**

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**
Transactions with shareholders, total				*351*	*351*		***351***
Equity on 31 December 2018	**80**	**28,252**	**-601**	**-4,313**	**23,338**		**23,418**

CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)	10-12 / 2019	10-12 / 2018	1-12 / 2019	1-12 / 2018
Cash flows from operating activities				
Operating profit/loss	2,822	-2,153	4,632	-2,126
Adjustments:				
Depreciation	821	404	3,505	1,662
Other adjustments	137	19	104	118
Change in working capital	1,686	4,174	-3,341	-5,469
Operating cash flow before financial and tax items	**5,466**	**2,445**	**4,900**	**-5,815**
Financial items, net	-308	-180	-1,218	-711
Taxes paid	0	976	0	-184
Net cash flow from operating activities	**5,159**	**3,241**	**3,682**	**-6,711**
Cash flows from investing activities				
Investments in tangible and intangible assets	-355	-503	-923	-1,325
Investments in right-of-use assets (IFRS 16)	-960	0	-1,611	0
Proceeds from sale of property, plant and equipment	54	139	369	524
Net cash flow from investing activities	**-1,261**	**-363**	**-2,165**	**-801**
Cash flows from financing activities				
Purchase of own shares	-51	0	-69	0
Hybrid bond	0	0	3,096	0
Payments of long-term liabilities	-500	-500	-1,000	-1,000
Change in lease liabilities	471	0	-455	0
Change in other interest-bearing liabilities	1,927	142	3,740	2,063
Net cash flow from financing activities	**1,847**	**-358**	**5,312**	**1,063**
Change in cash and cash equivalents	**5,745**	**2,520**	**6,829**	**-6,449**
Cash and cash equivalents at period start	4,288	683	3,203	9,652
Cash and cash equivalents at period end	**10,032**	**3,203**	**10,032**	**3,203**

Accounting principles

Consti Group Plc's financial statements bulletin has been prepared for the accounting period of 1 January – 31 December 2019 according to the IAS 34 Interim Financial reporting principles. Consti has abided by the same accounting principles in its financial statements bulletin as in its IFRS financial statement 2018 with the exception of the changes in accounting principles described below. Consti's financial statement 2019 has been audited and an auditor's report has been received on 6 February 2020. 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 financial statements bulletin.

Changes in accounting principles

IFRS 16 Leases

Consti Group Plc took the IFRS 16 'Leases' standard into use on 1 Jan 2019 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 were not restated. The reporting period 1 January –31 March 2019 was the first quarter during which the Group abided to regulation in the IFRS 16 standard.

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 utilised in the adoption of the standard.

The most significant impact identified is that Consti recognised new assets and liabilities, mainly for its operating leases of facilities and vehicles. In addition, the nature of expenses related to those leases changed as IFRS 16 replaced 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 also had an impact on the presentation of the consolidated statement of cash flows as realised rent payments were 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.

As a result of adopting the standard, Consti recognised right-of-use assets and respective lease liabilities of EUR 4.0 million as of 1 January 2019. EUR 0.2 million of the recognised right-of-use assets and lease liabilities are related to the earlier finance leases recognised according to IAS 17 resulting an increase of EUR 3.8 million in right-of-use assets and lease liabilities compared to 31 Dec 2018 reported figures.

Impact of IFRS 16 adoption on balance sheet 31 Dec 2018

CONSOLIDATED BALANCE SHEET (EUR 1,000)	31 Dec 2018 reported	IFRS 16 impact	1 Jan 2019
Non-current assets			
Property, plant and equipment	3,908	3,730	7,639
Goodwill	48,604		48,604
Other intangible assets	254	112	365
Shares and other non-current financial assets	17		17
Deferred tax receivables	1,356		1,356
Total non-current assets	**54,139**	**3,842**	**57,981**
Current assets			
Inventories	650		650
Trade and other receivables	53,049		53,049
Cash and cash equivalents	3,203		3,203
Total current assets	**56,902**		**56,902**
TOTAL ASSETS	**111,041**	**3,842**	**114,883**
EQUITY AND LIABILITIES			
Equity	**23,418**		**23,418**
Non-current liabilities			
Interest-bearing liabilities	19,186	2,072	21,257
Total non-current liabilities	**19,186**	**2,072**	**21,257**
Current liabilities			
Trade and other payables	42,622		42,622
Advances received	19,020		19,020
Interest-bearing liabilities	3,600	1,770	5,370
Provisions	3,195		3,195
Total current liabilities	**68,437**	**1,770**	**70,208**
TOTAL EQUITY AND LIABILITIES	**111,041**	**3,842**	**114,883**

The impact of the leases recognised in balance sheet on Consti's 1 Jan - 31 December 2019 rental expenses was EUR +2,170 thousand, on depreciations EUR -2,104 thousand and on financial expenses EUR -105 thousand. The effect on Consti's 1 Jan - 31 December 2019 EBITDA was EUR +2,170 thousand, on EBIT EUR +66 thousand and on profit/loss before taxes EUR -38 thousand. The impact on Consti's 1 Jan - 31 December 2019 cash flow from operating activities was EUR +2,066 thousand, on cash flow from investing activities EUR -1,611 thousand and on cash flow from financing activities EUR -455 thousand.

The impact of the leases recognised in balance sheet on Consti's 1 Jan - 31 December 2019 profit or loss, balance sheet and cash flow is presented in tables below in more detail:

CLASSIFICATION OF AMOUNTS RECOGNISED IN BALANCE SHEET AND PROFIT OR LOSS ACCORDING TO IFRS 16 (EUR 1,000)	Right-of-use assets				
	Buildings and structures	Machinery and equipment	Other intangible assets	Total	Lease liabilities
31 Dec 2018	-	**170**	-	**170**	**170**
The effect of IFRS 16 adoption	2,610	1,120	112	3,842	3,842
1 Jan 2019	**2,610**	**1,290**	**112**	**4,012**	**4,012**
Additions	914	590	106	1,611	1,611
Depreciations	-1,360	-679	-65	-2,104	-
Interest expense	-	-	-	-	105
Payments	-	-	-	-	-2,170
31 December 2019	**2,165**	**1,201**	**153**	**3,519**	**3,557**

CONSOLIDATED STATEMENT OF CASH FLOWS 1-12/2019 (EUR 1,000)	w/o IFRS 16 impact	IFRS 16 impact	IFRS
Cash flows from operating activities			
Operating profit/loss	4,566	66	4,632
Adjustments:			
Depreciation	1,401	2,104	3,505
Other adjustments	104		104
Change in working capital	-3,341		-3,341
Operating cash flow before financial and tax items	**2,730**	**2,170**	**4,900**
Financial items, net	-1,113	-105	-1,218
Taxes paid	0		0
Net cash flow from operating activities	**1,616**	**2,066**	**3,682**
Cash flows from investing activities			
Investments in tangible and intangible assets	-923		-923
Investments in right-of-use assets (IFRS 16)	0	-1,611	-1,611
Proceeds from sale of property, plant and equipment	369		369
Net cash flow from investing activities	**-554**	**-1,611**	**-2,165**
Cash flows from financing activities			
Purchase of own shares	-69		-69
Hybrid bond	3,096		3,096
Payments of long-term liabilities	-1,000		-1,000
Change in lease liabilities	0	-455	-455
Change in other interest-bearing liabilities	3,740		3,740
Net cash flow from financing activities	**5,767**	**-455**	**5,312**
Change in cash and cash equivalents	**6,829**	**0**	**6,829**
Cash and cash equivalents at period start	3,203		3,203
Cash and cash equivalents at period end	**10,032**		**10,032**
Free cash flow	1,807	2,170	3,977
EBITDA	5,967	2,170	8,137
Cash conversion, %	30.3 %		48.9 %

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Business areas

NET SALES BY BUSINESS AREA (EUR 1,000)	10-12 / 2019	10-12 / 2018	Change %	1-12 / 2019	1-12 / 2018	Change %
Housing Companies	24,037	32,426	-25.9 %	110,371	104,331	5.8 %
Corporations	31,777	41,977	-24.3 %	119,059	134,292	-11.3 %
Public Sector	9,780	7,152	36.7 %	33,876	18,016	88.0 %
Building Technology	16,596	20,362	-18.5 %	69,730	75,174	-7.2 %
Parent company and eliminations	-3,931	-5,139	23.5 %	-18,234	-16,050	-13.6 %
Total net sales	**78,259**	**96,779**	**-19.1 %**	**314,801**	**315,762**	**-0.3 %**

NET SALES CLASSIFICATION ACCORDING TO IFRS 15 (EUR 1,000)	10-12 / 2019	10-12 / 2018	Change %	1-12 / 2019	1-12 / 2018	Change %
Project deliveries						
Housing Companies	23,160	31,387	-26.2 %	107,874	101,511	6.3 %
Corporations	28,242	39,882	-29.2 %	106,354	126,653	-16.0 %
Public Sector	9,756	7,153	36.4 %	33,807	18,016	87.6 %
Building Technology	12,066	17,919	-32.7 %	58,649	65,120	-9.9 %
Parent company and eliminations	-3,931	-5,138	23.5 %	-18,234	-16,050	-13.6 %
Total project deliveries	**69,293**	**91,201**	**-24.0 %**	**288,450**	**295,248**	**-2.3 %**
Other cost + fee projects and service contracts						
Housing Companies	877	1,039	-15.6 %	2,497	2,820	-11.5 %
Corporations	3,536	2,095	68.8 %	12,705	7,639	66.3 %
Public Sector	24	0		69	0	
Building Technology	4,530	2,443	85.4 %	11,080	10,054	10.2 %
Parent company and eliminations	0	0		0	0	
Total other cost + fee projects and service contracts	**8,967**	**5,578**	**60.8 %**	**26,351**	**20,514**	**28.5 %**
Total net sales	**78,259**	**96,779**	**-19.1 %**	**314,801**	**315,762**	**-0.3 %**

Group liabilities

GROUP LIABILITIES (EUR 1,000)	31 Dec 2019	31 Dec 2018
Other liabilities		
Leasing and rental liabilities	29	3,935

The decrease in rental liabilities associated with off-balance sheet operational leasing agreements is affected by the adoption of IFRS 16 standard on 1 Jan 2019, the impact of which is described in more detail in the accounting principles above. After the adoption of IFRS 16 on 1 Jan 2019, off-balance sheet leasing and rental liabilities include lease liabilities from short-term leases and lease liabilities from low value items.

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Key figures

KEY FIGURES	1-12 / 2019	1-12 / 2018
INCOME STATEMENT (EUR 1,000)		
Net sales	314,801	315,762
EBITDA	8,137	-464
EBITDA margin, %	2.6 %	-0.1 %
Operating profit/loss (EBIT)	4,632	-2,126
Operating profit/loss margin, %	1.5 %	-0.7 %
Profit/loss before taxes (EBT)	3,414	-2,837
as % of sales	1.1 %	-0.9 %
Profit/loss for the period	2,676	-2,330
as % of sales	0.9 %	-0.7 %
OTHER KEY FIGURES (EUR 1,000)		
Balance sheet total	116,585	111,041
Net interest-bearing debt	18,880	19,582
Equity ratio, %	29.8 %	25.4 %
Gearing, %	64.4 %	83.6 %
Return on investment, ROI %	8.9 %	-4.5 %
Free cash flow	3,977	-7,140
Cash conversion, %	48.9 %	n/a
Order backlog	185,820	225,082
Order intake	214,757	228,525
Average number of personnel	1,037	1,093
Number of personnel at period end	990	1,046
SHARE RELATED KEY FIGURES		
Earnings per share, undiluted (EUR)	0.30	-0.30
Earnings per share, diluted (EUR)	0.30	-0.30
Shareholders' equity per share (EUR)	3.40	3.06
Number of shares, end of period	7,858,267	7,858,267
Number of outstanding shares, end of period	7,676,942	7,662,216
Average number of outstanding shares	7,679,525	7,662,216

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 (%) =	Equity / Total assets - advances received	X 100
Gearing (%) =	Interest-bearing liabilities - cash and cash equivalents / Equity	X 100
Return on investment, ROI (%) =	Profit/loss before taxes + interest and other financial expenses (r12m) / 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 (%) =	Free cash flow / EBITDA	X 100
Earnings per share =	Profit/loss attributable to equity holders of the parent company - hybrid bond's transaction costs and accrued unrecognised interests after tax / Weighted average number of shares outstanding during the period	X 100
Shareholders' equity per share (EUR) =	Equity attributable to owners of the parent company / Number of outstanding shares, end of 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 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)	Q4/19	Q3/19	Q2/19	Q1/19	Q4/18	Q3/18	Q2/18	Q1/18	Q4/17
Net sales	78,259	81,837	81,225	73,480	96,779	78,942	77,773	62,267	86,300
Other operating income	355	200	63	303	372	111	100	148	307
Materials and services	-53,478	-60,125	-60,178	-56,103	-75,290	-59,971	-54,162	-43,757	-64,540
Employee benefit expenses	-16,703	-14,776	-16,023	-14,234	-16,880	-14,957	-15,843	-14,490	-17,275
Other operating expenses	-4,790	-4,157	-4,057	-2,961	-6,729	-5,155	-5,784	-3,937	-6,843
EBITDA	3,643	2,979	1,030	486	-1,749	-1,030	2,084	231	-2,050
EBITDA margin, %	4.7 %	3.6 %	1.3 %	0.7 %	-1.8 %	-1.3 %	2.7 %	0.4 %	-2.4 %
Depreciation	-821	-890	-910	-883	-404	-406	-420	-432	-540
Operating profit/loss (EBIT)	2,822	2,089	120	-398	-2,153	-1,437	1,664	-201	-2,590
Operating profit/loss margin, %	3.6 %	2.6 %	0.1 %	-0.5 %	-2.2 %	-1.8 %	2.1 %	-0.3 %	-3.0 %
Financial income	8	2	3	5	-20	11	23	9	-55
Financial expenses	-316	-327	-379	-215	-160	-213	-192	-169	-164
Total financial income and expenses	-308	-325	-376	-210	-180	-202	-169	-160	-220
Profit/loss before taxes (EBT)	2,514	1,764	-256	-608	-2,333	-1,639	1,495	-360	-2,810
Total taxes	-558	-352	51	122	406	327	-301	74	516
Profit/loss for the period	1,956	1,412	-205	-486	-1,926	-1,311	1,194	-286	-2,294
Balance sheet total	116,585	118,023	116,009	115,048	111,041	110,181	112,582	98,738	100,810
Net interest-bearing debt	18,880	22,727	22,007	24,001	19,582	22,460	18,455	20,295	12,070
Equity ratio, %	29.8 %	28.2 %	27.2 %	27.7 %	25.4 %	28.3 %	29.3 %	30.9 %	28.6 %
Gearing, %	64.4 %	83.3 %	85.2 %	92.0 %	83.6 %	88.9 %	69.7 %	80.5 %	47.7 %
Return on investment, ROI %	8.9 %	-0.7 %	-7.5 %	-4.5 %	-4.5 %	-5.3 %	-3.8 %	-1.7 %	-0.7 %
Order backlog	185,820	206,406	226,765	237,763	225,082	270,072	286,201	250,177	225,721
Order intake	46,790	37,017	57,437	73,514	27,897	39,263	88,678	72,687	104,920
Average number of personnel	997	1,052	1,072	1,028	1,075	1,125	1,110	1,061	1,099
Number of personnel at period end	990	1,024	1,097	1,016	1,046	1,104	1,153	1,053	1,079
Earnings per share, undiluted (EUR)	0.25	0.17	-0.04	-0.08	-0.25	-0.17	0.16	-0.04	-0.30
Number of outstanding shares, end of period	7,676,942	7,685,042	7,685,042	7,684,849	7,662,216	7,662,216	7,662,216	7,662,216	7,662,216
Average number of outstanding shares	7,681,422	7,685,042	7,685,023	7,666,737	7,662,216	7,662,216	7,662,216	7,662,216	7,672,147

Largest shareholders

10 LARGEST SHAREHOLDERS 31 December 2019		Number of shares	% of shares and voting rights
1	Danske Invest Suomi Osake Fund	558,708	7.11 %
2	Evli Suomi Pienyhtiöt Fund	454,200	5.78 %
3	Korkeela Esa	434,133	5.52 %
4	Ilmarinen Mutual Pension Insurance Company	400,000	5.09 %
5	Kivi Risto	377,937	4.81 %
6	Riikantorppa Oy	334,077	4.25 %
7	Wipunen Varainhallinta Oy	334,077	4.25 %
8	Kalevo Markku	298,692	3.80 %
9	Op-Suomi Pienyhtiöt Fund	277,977	3.54 %
10	Korkeela Antti	276,894	3.52 %
Ten largest owners, total		**3,746,695**	**47.68 %**
Nominee registered		787,760	10.02 %
Others		3,323,812	42.30 %
Total		**7,858,267**	**100.00 %**

In Helsinki, 6 February 2020

Consti Group Plc’s Board of Directors

Press conference

A press conference for analysts, portfolio managers, and media will be arranged 7 February 2020 at 10:00 at Hotel Haven at Unioninkatu 17, Helsinki. The conference is hosted by CEO Esa Korkeela and CFO Joni Sorsanen.

Financial reporting in 2020

Consti will publish its Financial Statements, Board of Directors’ Report, Auditors’ Report, and Corporate Governance Statement on the company website during week 11/2020.

Consti Group Plc's Annual General Meeting for 2020 is scheduled to take place on Monday, 6 April 2020 in Helsinki.

Consti Group Plc shall publish three interim reports durng 2020:

- Interim report 1-3/2020 will be published 29 April 2020
- Half-year financial report 1-6/2020 will be published 24 July 2020
- Interim report 1-9/2020 will be published 28 October 2020

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Distribution

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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.