CONSTI INTERIM REPORT 1 January – 31 March 2020

29 April 2020 at 8.30 a.m.

PROFITABILITY AND CASH FLOW IMPROVED

1–3/2020 highlights (comparison figures in parenthesis 1–3/2019):

- Net sales 59.0 (73.5) million euro; change -19.7%
- EBITDA 1.3 (0.5) million euro and EBITDA margin 2.2 (0.7)%
- Operating profit/loss (EBIT) 0.5 (-0.4) million euro and operating profit/loss margin 0.8 (-0.5)%
- Order backlog 202.2 (237.8) million euro; change -14.9%
- Free cash flow 2.0 (-3.5) million euro
- Earnings per share 0.01 (-0.08) euro

Guidance on the Group outlook for 2020:

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

KEY FIGURES (EUR 1,000)	1-3/2020	1-3/2019	Change %	1-12/2019
Net sales	59,039	73,480	-19.7 %	314,801
EBITDA	1,281	486	163.8 %	8,137
EBITDA margin, %	2.2 %	0.7 %		2.6 %
Operating profit/loss (EBIT)	462	-398		4,632
Operating profit/loss (EBIT) margin, %	0.8 %	-0.5 %		1.5 %
Profit/loss for the period	128	-486		2,676
Order backlog	202,220	237,763	-14.9 %	185,820
Free cash flow	1,986	-3,476		3,977
Cash conversion, %	155.1 %	n/a		48.9 %
Net interest-bearing debt	17,760	24,001	-26.0 %	18,880
Gearing, %	60.8 %	92.0 %		64.4 %
Return on investment, ROI %	9.5 %	-4.5 %		8.9 %
Number of personnel at period end	973	1,016	-4.2 %	990
Earnings per share, undiluted (EUR)	0.01	-0.08		0.30

CEO's review

”Our net sales for the first quarter of 2020 decreased 19.7 percent from the comparison year and amounted to 59.0 million euro. As expected, our net sales for January-March decreased from the strong comparison period.

Our operating result for the reporting period was profitable and improved compared to the previous year. Our operating result for January-March was 0.5 (-0.4) million euro, which is 0.8 (-0.5) percent of the net sales. Our profitability developed mainly positively during the first quarter. All of our business areas were profitable in the reporting period. Due to our improved profitability and released working capital, our cash flow for the reporting period also improved significantly compared to the previous year.

The outbreak of the coronavirus pandemic (COVID-19) and actions taken to control it have not affected our market environment significantly during the first quarter. During the reporting period, our order intake amounted to 62.1 (73.5) million euro. Our order backlog at the end of the reporting period was 202.2 million euro. Thus, our order backlog at the end of the first quarter was 14.9 percent smaller than in the comparison period but grew 8.8 percent compared to the end of the previous year.

Uncertainty has grown in our business environment as a result of the coronavirus pandemic, but so far, the impact on our company has been limited. We have been able to keep our worksites open in all of our operational areas. During the reporting period, we have taken many actions to protect the health of our personnel, customers and partners, and to ensure that work progresses at our worksites and that our customer's projects are executed without unnecessary interruptions. After the reporting period we have had active negotiations and reached agreements of new renovation projects that will be completed during this year. On the other hand, some projects, which were in the negotiation stage, have been cancelled, and the start of some projects that were at the contractual stage has been moved forward.

The most significant short-term uncertainties during the coronavirus pandemic have to do with our ability to carry out work at current worksites and short-term demand outlook. Uncertainty related to our ability to carry out work at worksites has to do with personnel availability, possible cases of illness, availability of materials, and regulatory provisions. Uncertainty related to short-term demand outlook is caused especially by the possible moving forward of some projects that are in the negotiation stage, and possible postponement of decision-making. In the longer term, the demand outlook of renovation is affected by the length of the corona pandemic and actions taken to control it, as well as the speed of recovery of the general economic situation.

Our guidance for the ongoing year remains unchanged. In 2020, our performance is supported by the organisational renewal we carried out during the previous year, the scalability of operating costs in relation to changes in volume, and the improved quality of our order backlog. Achieving our guidance requires, however, that our worksites remain operating in future as well, and that we are able to advance the projects in our order backlog as planned during the rest of the year.”

Operating environment

Coronavirus pandemic (COVID-19)

The outbreak of the coronavirus pandemic (COVID-19) and actions taken to control it have an impact on Finnish renovation markets, but the more serious impact of the crisis is expected to show later on. The Confederation of Finnish Construction Industries RT conducted a survey in April which reveals that work has continued at construction sites fairly normally despite the coronavirus pandemic and related restrictions. The survey shows, however, that the slowing down of production and postponing of planned projects is estimated to be at least fairly probable.

The short-term demand outlook has deteriorated fastest in residential renovations. The growth drivers of housing companies' renovations remain unchanged, but in some cases decision-making has been postponed, in addition to which the Finnish government's restrictions to control the coronavirus pandemic have an impact especially on the carrying out of some residential renovations. The Finnish Real Estate Federation's spring 2020 renovation barometer estimates that the corona crisis will decrease housing company renovations. 33% of the barometer's respondents estimate that their housing company will decrease renovations during the ongoing year, while 27% estimate that renovations will increase in their housing company compared to the previous year. However, as many as 76% of the respondents still estimate that planned renovations will be carried out despite the current economic situation in 2020.

The renovation market in general

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

Professional renovation has grown nearly continuously in Finland for the last 20 years and at its best, its value has surpassed that of new construction. In 2019, renovation's share of all construction is estimated to have been approximately 48 percent. Both renovation and new construction have concentrated to large cities in past years. As economic growth declines new construction is estimated to concentrate even more to growth centres.

The value of professional renovation was 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. The demand for renovation is increased by the age of the building stock in Finland. Residential construction was at its heights in the 1970s and the building technology, facades and structures from that time now require major renovations. Pipeline renovations are the most rapidly growing area of renovation. 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.

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

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

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

Group structure

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

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

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

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

Long-term goals

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

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

- Growth: net sales growing faster than the market
- Profitability: EBIT margin exceeding 5 percent
- Free cash flow: Cash conversion ratio exceeding 90 percent
- Balance sheet structure: Net debt 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

Consti Group's January-March net sales 2020 decreased 19.7 percent and were 59.0 (73.5) million euro. Housing Companies net sales were 16.5 (28.3), Corporations net sales were 20.8 (27.6) Public Sector net sales were 9.4 (5.3) and Building Technology net sales were 15.5 (16.4) million euro.

Net sales grew in Public Sector but decreased in Housing Companies, Corporations and Building Technology. Public Sector business area's net sales grew as expected thanks to strong order backlog. Net sales in Housing Companies business area grew in Tampere and Oulu but decreased in greater Helsinki area. The development of net sales in Corporations business area was reflected by the fact that during the reporting period there were fewer ongoing large comprehensive renovation projects than in the comparison period. The net sales of Building Technology business area decreased especially due to the volume decrease in building technology installations business in Tampere area.

Operating result for January-March increased from previous year and was 0.5 (-0.4) million euro. Operating result from net sales was 0.8 (-0.5) percent. Profitability development was mainly positive during the first quarter of 2020. All business areas were profitable in the reporting period. Consti's business volumes are typically lowest during the first quarter of the year. The operating result and EBIT margin fluctuation are affected by the Group's revenue recognition in project deliveries, the starting of new projects and the demand for Service operations.

Order backlog decreased 14.9 percent and was 202.2 (237.8) million euro. Order intake value in January-March decreased 15.5 percent and was 62.1 (73.5) million euro.

Investments and business combinations

Investments into intangible and tangible assets in January-March were 0.3 (0.2) million euro, which is 0.6 (0.3) percent of the company's 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-March were EUR 0.2 million. The majority of investments into right-of-use assets during the reporting period were related to renewed leasing contracts of vans used in project and service business.

Cash flow and financial position

The operating cash flow in January-March before financing items and taxes was 2.3 (-3.2) million euro. Free cash flow, i.e. operating cash flow before financing items and taxes less investments in intangible and tangible assets was 2.0 (-3.5) million euro. Cash flow for January-March was affected by the improvement of operating result and released working capital during the period.

Consti Group's cash and cash equivalents on 31 March 2020 were 14.9 (4.1) 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 debt were 32.7 (28.1) million euro. External loans are subject to two financial covenants based on the ratio of the Group's net debt to EBITDA and gearing. On the balance sheet date, the interest bearing net debt was 17.8 (24.0) million euro and the net gearing ratio 60.8 (92.0) percent. At the balance sheet date 31 March 2020, the Group's interest-bearing net debt to adjusted EBITDA ratio was under the covenant's maximum level according to the confirmed calculation principles.

Consti Group's equity includes a hybrid bond of EUR 3.2 million issued in March 2019. The interest paid on the hybrid bond during the reporting period, EUR 0.4 million in total, was in part paid to persons in managerial positions in the company. The interest on the hybrid bond is recognised as deduction from Group's equity.

The balance sheet total on 31 March 2020 was 121.6 (115.0) million euro. At the end of the reporting period tangible assets in the balance sheet were 6.1 (7.0) million euro. Equity ratio was 29.9 (27.7) percent.

MATURITY DISTRIBUTION OF INTEREST-BEARING DEBT (EUR 1,000)*	2020	2021	2022	2023	2024	2025-	Total
Bank loans	1,238	1,302	16,653	0	0	0	**19,193**
Commercial papers	10,000	0	0	0	0	0	**10,000**
Lease liabilities	1,477	1,289	441	118	12	0	**3,337**
Other interest-bearing liabilities	348	393	248	88	0	0	**1,076**
Total	**13,063**	**2,984**	**17,342**	**206**	**12**	**0**	**33,607**

**Including deferred interest expense*

Personnel

Consti Group's average personnel count during the reporting period was 971 (1,028). The personnel count was 973 (1,016) at the end of the reporting period.

At the end of the reporting period 338 (366) employees worked in Housing Companies, 232 (246) in Corporations, 44 (42) in Public Sector and 349 (353) in the Building Technology business area. The parent company employed 10 (9) people.

PERSONNEL AT PERIOD END	31 March 2020	31 March 2019	Change %	31 Dec 2019
Housing Companies	338	366	-7.7 %	346
Corporations	232	246	-5.7 %	237
Public Sector	44	42	4.8 %	42
Building Technology	349	353	-1.1 %	356
Parent company	10	9	11.1 %	9
Group	**973**	**1,016**	**-4.2 %**	**990**

Management Team

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

Important events during the reporting period

Consti announced 7 February 2020, that Consti'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 (unchanged)

Consti Plc's Board decided on 28 February 2020 to continue the key employee share-based incentive plan launched in 2016. The plan offers the key employees that belong to the target group of the plan an opportunity to earn the Company's shares as reward by converting half or all of their performance-based bonuses to be earned on the basis of the Company's bonus scheme in 2020 into shares. Before the reward payment, the performance-based bonuses that have been converted into shares will be multiplied by a reward multiplier determined by the Board. The potential reward from the performance period 2020 will be paid to participants partly in shares and partly in cash after a two-year vesting period in 2023. During the performance period 2020, a maximum of approximately 70 key employees will belong to the target group of the plan, including the members of the Management Team. The rewards to be paid for the performance period 2020 will amount up to a maximum total of approximately 305,000 Consti Plc shares at the prevailing share price level, including also the cash portion, providing that all of the key employees that belong to the target group of the plan decide to participate and convert their performance-based bonuses entirely into shares.

Consti Plc ("Consti") received an announcement from Ilmarinen Mutual Pension Insurance Company ("Ilmarinen") on 25 February 2020, 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 Ilmarinen decreased below five (5) per cent of the share capital of Consti on 24 February 2020.

Consti Plc ("Consti") received an announcement from Danske Bank A/S:ltä ("Danske") on 25 February 2020, 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 Danske decreased below five (5) per cent of the share capital of Consti on 24 February 2020.

Consti Plc ("Consti") received an announcement from Lujatalo Oy ("Lujatalo") on 25 February 2020, 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 Lujatalo exceeded ten (10) per cent of the share capital of Consti on 24 February 2020.

Shares and share capital

Consti Plc's share capital on 31 March 2020 was 80 000 euro and the number of shares 7,858,267. Consti Plc held 173,031 of these shares. The Company has a single series of shares, and each share entitles its holder to one vote at the General Meeting of the company and to an equal dividend. The Company's shares have no par value. Consti Plc's shares are added into the Book-Entry Securities System.

Trade at Nasdaq Helsinki

Consti Plc has been listed in the Helsinki Stock Exchange main list since 15 December 2015. The trade symbol is CONSTI. On the Nordic list Consti Plc is classified a small cap company within the Industrials sector. During 1 January – 31 March 2020 Consti Plc's lowest share price was 6.00 (5.04) euro and the highest 8.88 (6.02) euro. The share's trade volume weighted average price was 7.56 (5.30) euro. At the close of the stock day 31 March 2020, the share value was 6.52 (5.60) euro and the Company's market value was 51.2 (44.0) million euro.

Related-party transactions

In addition to the transactions mentioned earlier in Cash flow and financial position chapter, there were no significant related-party transactions during the reporting period.

Outlook for 2020

The outbreak of the coronavirus pandemic (COVID-19) and actions taken to control it have an impact on Finnish renovation markets, but the more serious impact of the crisis is expected to show later on. The short-term demand outlook has deteriorated fastest in residential renovations. The growth drivers of housing companies' renovations remain unchanged, but in some cases decision-making has been postponed, in addition to which the Finnish government's restrictions to control the coronavirus pandemic have an impact especially on the carrying out of some residential renovations.

Uncertainty has grown in Consti's business environment as a result of the coronavirus pandemic, but so far, the impact on the company has been limited. The most significant short-term uncertainties during the coronavirus pandemic have to do with Consti's ability to carry out work at current worksites and short-term demand outlook. Uncertainty related to Consti's ability to carry out work at worksites has to do with personnel availability, possible cases of illness, availability of materials, and regulatory provisions. Uncertainty related to short-term demand outlook is caused especially by the possible moving forward of some projects that are in the negotiation stage, and possible postponement of decision-making. In the longer term, the demand outlook of renovation is affected by the length of the corona pandemic and actions taken to control it, as well as the speed of recovery of the general economic situation.

Consti's guidance for 2020 remains unchanged. In 2020 Consti's performance is supported by the organisational renewal carried out the previous year, the scalability of operating costs in relation to changes in volume, and the improved quality of the order backlog. Achieving the guidance requires, however, that

Consti's worksites remain operating in future as well and the projects in the order backlog can be advanced as planned during the rest of the year.

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. At the balance sheet date 31 March 2020, the Group's interest-bearing net debt to adjusted EBITDA ratio was under the covenant's maximum level according to the confirmed calculation principles. The financial covenant's degree is continuously monitored and assessed in relation to net debt and EBIT realisations and predictions.

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

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

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

Hotel St. George construction project

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

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

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

Events after the reporting period

The Annual General Meeting 2020 and Board authorisations

The Annual General Meeting of Shareholders of Consti Plc held on 6 April 2020 adopted the Financial Statements and discharged the Members of the Board of Directors and the CEO from liability for the financial year 1 January - 31 December 2019. The Annual General Meeting resolved that a dividend of 0.16 euro per share for the financial year 2019 is paid. The record date for dividend payment is 8 April 2020 and the dividend is paid on 17 April 2020.

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

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

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

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

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

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

Organising Meeting of the Board of Directors

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

Change of the company name

The Annual General Meeting of Consti Group Plc held on 6 April 2020 decided to change the name of the company to Consti Plc (Consti Oyj in Finnish). Consti announced on 16 April 2020 that the name change has been registered in the Trade Register on 16 April 2020, and the name of the company is now Consti Plc. The name of the company will also be changed in the book-entry system and in the stock exchange’s trading system. The trading code of the company continues to be CONSTI.

INTERIM REPORT 1.1. - 31.3.2020: FINANCIAL TABLES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)	1-3 / 2020	1-3 / 2019	Change %	1-12 / 2019
Net sales	**59,039**	**73,480**	**-19.7 %**	**314,801**
Other operating income	116	303	-61.8 %	921
Materials and services	-40,823	-56,103	27.2 %	-229,884
Employee benefit expenses	-14,045	-14,234	1.3 %	-61,736
Depreciation	-819	-883	7.3 %	-3,505
Other operating expenses	-3,007	-2,961	-1.6 %	-15,965
Operating profit/loss (EBIT)	**462**	**-398**		**4,632**
Financial income	1	5	-84.7 %	18
Financial expenses	-308	-215	-43.5 %	-1,236
Total financial income and expenses	-308	-210	-46.8 %	-1,218
Profit/loss before taxes (EBT)	**154**	**-608**		**3,414**
Total taxes	-26	122		-738
Profit/loss for the period	**128**	**-486**		**2,676**
Comprehensive income for the period 1)	**128**	**-486**		**2,676**
Earnings per share attributable to equity holders of parent company				
Earnings per share, undiluted (EUR)	0.01	-0.08		0.30
Earnings per share, diluted (EUR)	0.01	-0.08		0.30

1) The group has no other comprehensive income items.

CONSOLIDATED BALANCE SHEET (EUR 1,000)	31 Mar 2020	31 Mar 2019	Change %	31 Dec 2019
ASSETS				
Non-current assets				
Property, plant and equipment	6,082	6,985	-12.9 %	6,338
Goodwill	48,604	48,604	0.0 %	48,604
Other intangible assets	390	336	16.1 %	437
Shares and other non-current financial assets	17	17	0.0 %	17
Deferred tax receivables	792	1,167	-32.2 %	741
Total non-current assets	**55,886**	**57,110**	**-2.1 %**	**56,137**
Current assets				
Inventories	643	578	11.2 %	630
Trade and other receivables	50,165	53,275	-5.8 %	49,786
Cash and cash equivalents	14,934	4,085	265.6 %	10,032
Total current assets	**65,742**	**57,939**	**13.5 %**	**60,448**
TOTAL ASSETS	**121,628**	**115,048**	**5.7 %**	**116,585**
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent company	26,023	22,900	13.6 %	26,137
Hybrid bond	3,200	3,200	0.0 %	3,200
Total Equity	**29,223**	**26,100**	**12.0 %**	**29,337**
Non-current liabilities				
Interest-bearing liabilities	19,518	20,903	-6.6 %	19,675
Total non-current liabilities	**19,518**	**20,903**	**-6.6 %**	**19,675**
Current liabilities				
Trade and other payables	33,532	37,649	-10.9 %	37,605
Advances received	23,849	20,786	14.7 %	18,274
Interest-bearing liabilities	13,177	7,184	83.4 %	9,238
Provisions	2,328	2,427	-4.1 %	2,457
Total current liabilities	**72,887**	**68,045**	**7.1 %**	**67,574**
TOTAL EQUITY AND LIABILITIES	**121,628**	**115,048**	**5.7 %**	**116,585**

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 2019	**80**	**28,252**	**-395**	**-1,800**	**26,057**	**3,200**	**29,337**
Total comprehensive income				128	128		**128**
Hybrid bond				-307	-307		**-307**
Conveyance of own shares			52		52		**52**
Share-based incentive				14	14		**14**
Transactions with shareholders, total			*52*	*14*	*66*		***66***
Equity on 31 March 2020	**80**	**28,252**	**-343**	**-1,965**	**25,944**	**3,200**	**29,223**

Equity on 31 December 2018	**80**	**28,252**	**-601**	**-4,313**	**23,338**		**23,418**
Total comprehensive income				-486	-486		**-486**
Hybrid bond				-105	-105	3,200	**3,096**
Purchase of own shares			-18		-18		**-18**
Conveyance of own shares			273		273		**273**
Share-based incentive				-183	-183		**-183**
Transactions with shareholders, total			*256*	*-183*	*73*		***73***
Equity on 31 March 2019	**80**	**28,252**	**-345**	**-5,087**	**22,820**	**3,200**	**26,100**

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**

CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)	1-3/2020	1-3/2019	1-12/2019
Cash flows from operating activities			
Operating profit/loss	462	-398	4,632
Adjustments:			
Depreciation	819	883	3,505
Other adjustments	51	58	104
Change in working capital	982	-3,783	-3,341
Operating cash flow before financial and tax items	**2,314**	**-3,239**	**4,900**
Financial items, net	-308	-210	-1,218
Taxes paid	0	-38	0
Net cash flow from operating activities	**2,006**	**-3,487**	**3,682**
Cash flows from investing activities			
Investments in tangible and intangible assets	-327	-237	-923
Investments in right-of-use assets (IFRS 16)	-189	0	-1,611
Proceeds from sale of property, plant and equipment	15	69	369
Net cash flow from investing activities	**-501**	**-168**	**-2,165**
Cash flows from financing activities			
Purchase of own shares	0	-18	-69
Hybrid bond	-384	3,096	3,096
Payments of long-term liabilities	0	0	-1,000
Change in lease liabilities	-315	-498	-455
Change in other interest-bearing liabilities	4,096	1,957	3,740
Net cash flow from financing activities	**3,397**	**4,537**	**5,312**
Change in cash and cash equivalents	**4,902**	**882**	**6,829**
Cash and cash equivalents at period start	10,032	3,203	3,203
Cash and cash equivalents at period end	**14,934**	**4,085**	**10,032**

Accounting principles

Consti Plc's interim financial report has been prepared for the accounting period of 1 January – 31 March 2020 according to the IAS 34 Interim Financial reporting principles. Consti has abided by the same accounting principles in its interim financial reporting as in its IFRS financial statement 2019. The information presented in the interim reports are not audited. All figures in these accounts have been rounded. Consequently, the sum of individual figures can deviate from the presented sum figure. The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the valuation of the reported assets and liabilities, and the recognition of income and expenses in the statement of income. Although the estimates are based on the management's best knowledge of current events and actions, actual results may differ from the values given in interim reports.

Lease agreements

The impact of the leases on Consti's 1 Jan - 31 March 2020 profit or loss and balance sheet is presented in table below:

CLASSIFICATION OF AMOUNTS RECOGNISED IN BALANCE SHEET AND PROFIT OR LOSS ACCORDING TO IFRS 16 (EUR 1,000)	Right-of-use assets				
	Buildings and structures	Machinery and equipment	Other intangible assets	Total	Lease liabilities
31 Dec 2019	**2,165**	**1,201**	**153**	**3,519**	**3,557**
Additions	26	163	0	189	189
Depreciations	-325	-162	-23	-510	-
Interest expense	-	-	-	-	25
Payments	-	-	-	-	-528
31 March 2020	**1,865**	**1,202**	**130**	**3,197**	**3,242**

Business areas

NET SALES BY BUSINESS AREA (EUR 1,000)	1-3 / 2020	1-3 / 2019	Change %	1-12 / 2019
Housing Companies	16,452	28,314	-41.9 %	110,371
Corporations	20,781	27,648	-24.8 %	119,059
Public Sector	9,357	5,266	77.7 %	33,876
Building Technology	15,472	16,377	-5.5 %	69,730
Parent company and eliminations	-3,021	-4,125	26.8 %	-18,234
Total net sales	**59,039**	**73,480**	**-19.7 %**	**314,801**

NET SALES CLASSIFICATION ACCORDING TO IFRS 15 (EUR 1,000)	1-3 / 2020	1-3 / 2019	Change %	1-12 / 2019
Project deliveries				
Housing Companies	16,109	28,016	-42.5 %	107,874
Corporations	18,054	25,702	-29.8 %	106,354
Public Sector	9,357	5,266	77.7 %	33,807
Building Technology	13,622	14,123	-3.6 %	58,649
Parent company and eliminations	-3,021	-4,125	26.8 %	-18,234
Total project deliveries	**54,119**	**68,981**	**-21.5 %**	**288,450**
Other cost + fee projects and service contracts				
Housing Companies	343	297	15.5 %	2,497
Corporations	2,727	1,948	40.0 %	12,705
Public Sector	0	0		69
Building Technology	1,850	2,254	-17.9 %	11,080
Parent company and eliminations	0	0		0
Total other cost + fee projects and service contracts	**4,920**	**4,499**	**9.4 %**	**26,351**
Total net sales	**59,039**	**73,480**	**-19.7 %**	**314,801**

Group liabilities

GROUP LIABILITIES (EUR 1,000)	31 Mar 2020	31 Mar 2019	31 Dec 2019
Other liabilities			
Leasing and rental liabilities	23	31	29

Key figures

KEY FIGURES (EUR 1,000)	1-3 / 2020	1-3 / 2019	1-12 / 2019
INCOME STATEMENT			
Net sales	59,039	73,480	314,801
EBITDA	1,281	486	8,137
EBITDA margin, %	2.2 %	0.7 %	2.6 %
Operating profit/loss (EBIT)	462	-398	4,632
Operating profit/loss margin, %	0.8 %	-0.5 %	1.5 %
Profit/loss before taxes (EBT)	154	-608	3,414
as % of sales	0.3 %	-0.8 %	1.1 %
Profit/loss for the period	128	-486	2,676
as % of sales	0.2 %	-0.7 %	0.9 %
OTHER KEY FIGURES			
Balance sheet total	121,628	115,048	116,585
Net interest-bearing debt	17,760	24,001	18,880
Equity ratio, %	29.9 %	27.7 %	29.8 %
Gearing, %	60.8 %	92.0 %	64.4 %
Return on investment, ROI %	9.5 %	-4.5 %	8.9 %
Free cash flow	1,986	-3,476	3,977
Cash conversion, %	155.1 %	n/a	48.9 %
Order backlog	202,220	237,763	185,820
Order intake	62,146	73,514	214,757
Average number of personnel	971	1,028	1,037
Number of personnel at period end	973	1,016	990
SHARE RELATED KEY FIGURES			
Earnings per share, undiluted (EUR)	0.01	-0.08	0.30
Earnings per share, diluted (EUR)	0.01	-0.08	0.30
Shareholders' equity per share (EUR)	3.39	2.98	3.40
Number of shares, end of period	7,858,267	7,858,267	7,858,267
Number of outstanding shares, end of period	7,685,123	7,686,013	7,676,942
Average number of outstanding shares	7,679,279	7,666,737	7,679,525

Calculation of key figures

EBITDA =	Operating profit/loss (EBIT) + depreciation, amortisation and impairment	
Net interest-bearing debt =	Interest-bearing liabilities - cash and cash equivalents	
Equity ratio (%) =	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	
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)	Q1/20	Q4/19	Q3/19	Q2/19	Q1/19	Q4/18	Q3/18	Q2/18	Q1/18
Net sales	59,039	78,259	81,837	81,225	73,480	96,779	78,942	77,773	62,267
Other operating income	116	355	200	63	303	372	111	100	148
Materials and services	-40,823	-53,478	-60,125	-60,178	-56,103	-75,290	-59,971	-54,162	-43,757
Employee benefit expenses	-14,045	-16,703	-14,776	-16,023	-14,234	-16,880	-14,957	-15,843	-14,490
Other operating expenses	-3,007	-4,790	-4,157	-4,057	-2,961	-6,729	-5,155	-5,784	-3,937
EBITDA	1,281	3,643	2,979	1,030	486	-1,749	-1,030	2,084	231
EBITDA margin, %	2.2 %	4.7 %	3.6 %	1.3 %	0.7 %	-1.8 %	-1.3 %	2.7 %	0.4 %
Depreciation	-819	-821	-890	-910	-883	-404	-406	-420	-432
Operating profit/loss (EBIT)	462	2,822	2,089	120	-398	-2,153	-1,437	1,664	-201
Operating profit/loss margin, %	0.8 %	3.6 %	2.6 %	0.1 %	-0.5 %	-2.2 %	-1.8 %	2.1 %	-0.3 %
Financial income	1	8	2	3	5	-20	11	23	9
Financial expenses	-308	-316	-327	-379	-215	-160	-213	-192	-169
Total financial income and expenses	-308	-308	-325	-376	-210	-180	-202	-169	-160
Profit/loss before taxes (EBT)	154	2,514	1,764	-256	-608	-2,333	-1,639	1,495	-360
Total taxes	-26	-558	-352	51	122	406	327	-301	74
Profit/loss for the period	128	1,956	1,412	-205	-486	-1,926	-1,311	1,194	-286
Balance sheet total	121,628	116,585	118,023	116,009	115,048	111,041	110,181	112,582	98,738
Net interest-bearing debt	17,760	18,880	22,727	22,007	24,001	19,582	22,460	18,455	20,295
Equity ratio, %	29.9 %	29.8 %	28.2 %	27.2 %	27.7 %	25.4 %	28.3 %	29.3 %	30.9 %
Gearing, %	60.8 %	64.4 %	83.3 %	85.2 %	92.0 %	83.6 %	88.9 %	69.7 %	80.5 %
Return on investment, ROI %	9.5 %	8.9 %	-0.7 %	-7.5 %	-4.5 %	-4.5 %	-5.3 %	-3.8 %	-1.7 %
Order backlog	202,220	185,820	206,406	226,765	237,763	225,082	270,072	286,201	250,177
Order intake	62,146	46,790	37,017	57,437	73,514	27,897	39,263	88,678	72,687
Average number of personnel	971	997	1,052	1,072	1,028	1,075	1,125	1,110	1,061
Number of personnel at period end	973	990	1,024	1,097	1,016	1,046	1,104	1,153	1,053
Earnings per share, undiluted (EUR)	0.01	0.25	0.17	-0.04	-0.08	-0.25	-0.17	0.16	-0.04
Number of outstanding shares, end of period	7,685,123	7,676,942	7,685,042	7,685,042	7,684,849	7,662,216	7,662,216	7,662,216	7,662,216
Average number of outstanding shares	7,679,279	7,681,422	7,685,042	7,685,023	7,666,737	7,662,216	7,662,216	7,662,216	7,662,216

Largest shareholders

10 LARGEST SHAREHOLDERS 31 March 2020		Number of shares	% of shares and voting rights
1	Lujatalo Oy	790,000	10.05 %
2	Evli Suomi Pienyhtiöt Fund	444,000	5.65 %
3	Korkeela Esa	434,133	5.52 %
4	Riikantorppa Oy	385,000	4.90 %
5	Wipunen Varainhallinta Oy	385,000	4.90 %
6	Kivi Risto	379,758	4.83 %
7	Danske Invest Finnish Equity Fund	338,708	4.31 %
8	Kalevo Markku	299,128	3.81 %
9	Korkeela Antti	276,894	3.52 %
10	Eq Pohjoismaat Pienyhtiö Fund	206,624	2.63 %
Ten largest owners, total		**3,939,245**	**50.13 %**
Nominee registered		796,907	10.14 %
Others		3,122,115	39.73 %
Total		**7,858,267**	**100.00 %**

In Helsinki, 28 April 2020

Consti Plc’s Board of Directors

Press conference

Microsoft Teams meeting for analysts, portfolio managers and media representatives, will take place 29 April 2020, at 10:00 a.m. (EET). The meeting will be hosted by CEO Esa Korkeela and CFO Joni Sorsanen.

Financial communication in 2020

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

Further information:

Esa Korkeela, CEO, Consti Plc, Tel. +358 40 730 8568
Joni Sorsanen, CFO, Consti Plc, Tel. +358 50 443 3045

Distribution

Nasdaq Helsinki
Key media
www.consti.fi

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