CONSTI

CONSTI INTERIM REPORT 1 January – 31 March 2022

29 April 2022 at 8.30 a.m.

SOLID PERFORMANCE CONTINUED

1–3/2022 highlights (comparison figures in parenthesis 1–3/2021):

- Net sales 59.8 (59.3) million euro; growth 0.9%
- EBITDA 1.4 (0.9) million euro and EBITDA margin 2.3 (1.5)%
- Adjusted operating result (EBIT) EUR 0.4 (0.5) million and Adjusted EBIT margin 0.6% (0.8%)
- Operating result (EBIT) 0.4 (0.1) million euro and EBIT margin 0.6% (0.2%)
- Order backlog 205.1 (196.5) million euro; growth 4.4%
- Order intake 37.6 (69.8) million euro; change -46.2%
- Free cash flow -0.8 (-2.9) million euro
- Earnings per share 0.01 (-0.02) euro

Guidance on the Group outlook for 2022:

The Company estimates that its operating result for 2022 will be in the range of EUR 9-13 million.

KEY FIGURES (EUR 1,000)	1-3/2022	1-3/2021	Change %	1-12/2021
Net sales	59,830	59,283	0.9 %	288,773
EBITDA	1,357	878	54.5 %	9,202
EBITDA margin, %	2.3 %	1.5 %		3.2 %
Adjusted operating result (EBIT)	359	482	-25.5 %	9,535
Adjusted EBIT margin, %	0.6 %	0.8 %		3.3 %
Operating result (EBIT)	359	101	254.8 %	5,705
Operating result (EBIT) margin, %	0,6 %	0.2 %		2.0 %
Profit/loss for the period	111	-85		3,717
Order backlog	205,094	196,489	4.4 %	218,578
Free cash flow	-830	-2,929	71.7 %	5,458
Cash conversion, %	n/a	n/a		59.3 %
Net interest-bearing debt	16,255	11,714	38.8 %	14,262
Gearing, %	52.1 %	38.6 %		44.7 %
Return on investment, ROI %	10.1 %	13.1 %		9.2 %
Number of personnel at period end	933	946	-1.4 %	961
Earnings per share, undiluted (EUR)	0.01	-0.02		0.47

CEO's review

”Our net sales for the first quarter of 2022 were 59.8 (59.3) million euro, ending up slightly above the previous year's level. In January-March, our seasonally low net sales grew by 0.9 percent compared to the comparison period.

Taking into account that our business volumes are usually lowest in the first quarter of the year, our profitability for the reporting period was in line with our expectations. Our adjusted operating result for January-March before items affecting comparability was 0.4 (0.5) million euro, which is 0.6 (0.8) percent of our net sales. Our balance sheet and liquidity positions at the end of the reporting period remained at a good level.

During January-March, our order intake was 37.6 (69.8) million euro. Despite the decreased order intake in the first quarter, our order backlog, 205.1 (196.5) million at the end of March, was 4.4 percent higher than in the comparison period.

The uncertainty in our operating environment increased significantly after Russia launched an attack on Ukraine in February. Due to geopolitical instability, the prices of building materials and products important to the company have continued to rise. In addition to the cost implications, the war has a negative impact on the availability of building materials and products, which can complicate our ability to advance ongoing projects according to plans. The crisis in Ukraine, with its ramifications, also creates uncertainty regarding the short-term demand outlook for renovation and building technology. This uncertainty may lead to the rescheduling of some projects in the negotiation phase as well as the postponement of investment decisions. However, demand is maintained by the needs-oriented nature of renovation.

The increase in construction costs had a somewhat greater impact on our projects than in the comparison period in such ongoing projects where a rapid increase in material costs was not sufficiently considered at the tendering phase. Due to the rapid rise in the prices of building materials and products and possible availability problems, we have adapted our tendering operations to reflect the changed operating environment. The coronavirus pandemic, on the other hand, continued to affect our business primarily through increased sick leaves.

During the reporting period, we continued to implement our strategy and launched additional measures to ensure the performance of our business in an uncertain operating environment. Our actions focus especially on procurement, tendering, and customer work. Our goal is to ensure a healthy margin level for our order intake and the smooth advancing of our customers' projects. As part of our sustainability work, we announced CO2 emission reduction targets for our own operations (Scope 1–2). Our target is to reduce our own CO2 emissions by 40% by 2025, by 70% by 2030 and by 100% by 2035. We provide more information on the progress of our sustainability work in our sustainability report published today.

Despite the increased uncertainty in the operating environment, we are keeping our guidance for the current year unchanged. Our strong order backlog, the progress of our strategic projects, and our steadily improved performance put us in a good position to continue our positive and solid development in 2022.”

Operating environment

Construction market 2022

Thus far, there are no public economic forecasts for construction which would take into account the crisis in Ukraine. According to the latest available forecasts renovations are expected to increase in 2022 by about 1.3–2.0 percent. The Confederation of Finnish Construction Industries RT and the construction trends group led by the Ministry of Finance estimate that the growth will be about 2.0 percent and Euroconstruct forecasts a growth of 1.3 percent. Renovations are expected to increase in both residential buildings and office premises. The growth forecasts for the entire construction industry for 2022 vary between 2.0 and 2.5 percent.

The Confederation of Finnish Construction Industries RT estimates that the strong work base in construction will keep the industry's activity at a good level throughout early 2022, but cumulative cost development may slow down the start of planned new projects.

The renovation market in general

Professional renovations have increased almost continuously in Finland for the past 20 years. Growth has been relatively steady, as renovations are more need-driven and less cyclical than new construction. In addition to the age of the building stock, the need for renovations is increased especially by climate change and energy efficiency requirements, as well as urbanisation and changes in working methods.

The value of professional renovations was approximately 14 billion euro in 2021, of which residential buildings accounted for about 8.1 billion euro. The majority of renovations are conducted in apartment buildings and terraced houses. The renovation market in Finland is very fragmented and there are numerous small companies working in the sector.

Renovations have made up approximately half of all housing construction projects in recent years. In 2021 the share was about 45 percent. Forecon's market analysis estimates that the number of renovations tripled in Finland between 1980-2020. Although the growth rate of renovations is expected to slow down somewhat, it is estimated that renovations have better growth prospects than new construction, when looking at the 2020s as a whole. New construction growth has been driven by residential building, and also numerous public service construction projects, especially schools and hospitals. Despite the growth in new school construction, public construction is expected to slow down in the next few years, and this will have a significant impact on the volume of construction.

In Finland renovations are driven primarily by the age of the building stock. Housing construction peaked in the 1970s and building technology, facades and structures from that era now require substantial renovations. Thus far, the greatest number of renovations have been conducted on housing companies built in the 1960s and renovations have focused on building technology. Building technology has been the fastest growing renovation type. Forecon estimates that building technology renovations increased about 4–5 percent annually in the 2020s, while the number of renovations as a whole has grown approximately 1–2 percent per year. Building technology has accounted for about half of all housing company renovations in recent years, and about 40 percent of all the renovations of the building stock. Exterior surfaces and structures have been the second largest renovation type, making up nearly 40 percent of all renovations. Facade renovations have had to be postponed in many housing companies for financial reasons, to make way for pipeline renovations. Consequently, housing company renovations will focus more strongly on facade renovations in upcoming years. In addition, strong weather fluctuations and wind driven rain brought forth by climate change put facades under greater duress than before and add to maintenance needs. Approximately one fifth of all renovation projects are maintenance and repair projects.

The demand for renovations in Finland is also driven by the growing need for commercial and office building renovations. Commercial and office building construction was especially rapid in Finland in the 1980s and also in the early 1990s and 2000s. Buildings from this time period do not often meet current needs. For example, the increase in remote work and e-commerce have set new challenges for the efficient use of these premises.

Renovation needs are also increased by many phenomena classified as megatrends such as population aging, urbanisation, and climate change. Climate change mitigation necessitates better energy efficiency in buildings, which increases the need to renovate both residential buildings and commercial and office premises.

General risks to growth include increased construction costs and the availability of both personnel and materials. The shortage of skilled personnel particularly affects growth centres, where both new construction and renovations are increasingly concentrating.

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 and selected new construction 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 subsidiaries completely owned by the parent company: Consti Korjausrakentaminen Oy (Housing Companies, Corporations and Public Sector) and Consti Talotekniikka Oy (Building Technology) and RA-Urakointi Oy, acquired in August 2021.

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 "Our customer's number one partner and expert in multiple types of construction". To achieve its vision and goals, Consti has defined strategic focus areas, which are: growth in current businesses, new businesses, improving relative profitability, improving production efficiency, people and management and corporate social responsibility and sustainable development.

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 2022 increased 0.9 percent and were 59.8 (59.3) million euro. Housing Companies net sales were 15.6 (13.4), Corporations net sales were 20.2 (21.8) Public Sector net sales were 10.9 (7.5) and Building Technology net sales were 16.0 (19.2) million euro.

Net sales grew in Housing Companies and Public Sector but decreased in Corporations and in Building Technology. Net sales in Housing Companies business area increased mainly as a result of the acquisition of RA-Urakointi Oy that was completed in August 2021. The net sales of Public Sector business area were boosted by the new construction projects that were started in summer 2021. The net sales of Corporations business area were affected by the decrease in the volume of regional units compared to the comparison period. The net sales of Building Technology business area decreased in Greater Helsinki area and in other areas.

Operating result for January-March was 0.4 (0.1) million euro. Operating result from net sales was 0.6 (0.2). Adjusted operating result for January-March was 0.4 (0.5) million euro. Adjusted operating result from net sales was 0.6 (0.8) percent. Consti's business volumes are typically lowest during the first quarter of the year so the profitability in the reporting period was mainly in line with expectations. The increase in construction costs had a somewhat greater impact on profitability than in the comparison period in such ongoing projects where a rapid increase in material costs was not sufficiently considered at the tendering phase.

Order backlog increased 4.4 percent and was 205.1 (196.5) million euro. Order intake value in January-March decreased 46.2 percent and was 37.6 (69.8) million euro.

Investments and business combinations

Investments into intangible and tangible assets in January-March were 0.3 (0.3) million euro, which is 0.4 (0.4) 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 0.4 (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 -0.6 (-2.7) million euro. Free cash flow was -0.8 (-2.9) million euro. Cash flow for January-March improved mainly due to the lower amount of tied up working capital compared to comparison period.

Consti Group's cash and cash equivalents on 31 March 2022 were 15.7 (15.9) 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 32.0 (27.6) 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 16.3 (11.7) million euro and the net gearing ratio 52.1 (38.6) percent. At the balance sheet date 31 March 2022, the Group's interest-bearing net debt to adjusted EBITDA ratio was under the covenant's maximum level according to the confirmed calculation principles.

The balance sheet total on 31 March 2022 was 110.8 (115.9) million euro. At the end of the reporting period tangible assets in the balance sheet were 8.2 (4.8) million euro. The amount of tangible assets increased as a result of the recording of the right-of-use assets (IFRS 16) related to new headquarters in Helsinki from June 2021 onwards. Equity ratio was 31.0 (32.1) percent.

Within the framework of the EUR 50 million domestic commercial paper program initiated in October 2019, Consti may issue commercial papers with maturity of under one year. During January-March 2022, Consti issued new commercial papers with maturity of under one year amounting to EUR 4.0 million. During the same period, matured total of EUR 4.0 million earlier issued commercial papers.

MATURITY DISTRIBUTION OF INTEREST-BEARING DEBT (EUR 1,000)*	2022	2023	2024	2025	2026	2027-	Total
Bank loans	2,196	2,232	13,104	0	0	0	**17,532**
Commercial papers	9,000	0	0	0	0	0	**9,000**
Lease liabilities	1,553	1,260	1,026	933	373	10	**5,154**
Other interest-bearing liabilities	383	361	218	105	7	0	**1,074**
Total	**13,132**	**3,852**	**14,348**	**1,038**	**380**	**10**	**32,760**

**Including deferred interest expense*

Personnel

Consti Group's average personnel count during the reporting period was 944 (942). The personnel count was 933 (946) at the end of the reporting period.

At the end of the reporting period 335 (331) employees worked in Housing Companies, 209 (220) in Corporations, 42 (54) in Public Sector and 333 (331) in the Building Technology business area. The parent company employed 14 (10) people.

PERSONNEL AT PERIOD END	31 March 2022	31 March 2021	Change %	31 Dec 2021
Housing Companies	335	331	1,2 %	357
Corporations	209	220	-5,0 %	216
Public Sector	42	54	-22,2 %	49
Building Technology	333	331	0,6 %	325
Parent company	14	10	40,0 %	14
Group	**933**	**946**	**-1,4 %**	**961**

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; Jukka Mäkinen, Business Area Director Corporations; Jukka Kylliö, Business Area Director Public Sector; Heikki Pesu, 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 Plc's Board decided on 3 March 2022 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 2022 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 2022 will be paid to participants partly in shares and partly in cash after a two-year vesting period in 2025. During the performance period 2022, a maximum of approximately 75 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 2022 will amount up to a maximum total of approximately 272,257 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 Elementa Management AB ("Elementa") on 9 March 2022, in accordance with the Finnish Securities Market Act Chapter 9, Section 5. According to the announcement, the number of Consti shares and votes owned by Elementa increased above ten (10) per cent of the share capital of Consti on 8 March 2022.

Shares and share capital

Consti Plc's share capital on 31 March 2022 was 80 000 euro and the number of shares 7,858,267. Consti Plc held 123,739 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 2022 Consti Plc's lowest share price was 8.56 (9.30) euro and the highest 12.80 (14.10) euro. The share's trade volume weighted average price was 11.51 (11.77) euro. At the close of the stock day 31 March 2022, the share value was 11.50 (13.00) euro and the Company's market value was 90.4 (102.2) million euro.

Related-party transactions

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

Outlook for 2022

The uncertainty in Consti's operating environment increased significantly after Russia launched an attack on Ukraine in February. Due to geopolitical instability, the prices of building materials and products important to the company have continued to rise. In addition to the cost impact, the war has a negative impact on the availability of building materials and products, which may complicate Consti's ability to advance ongoing projects according to plans. The crisis in Ukraine, with its ramifications, also creates uncertainty about the short-term demand outlook for renovation and building technology. This uncertainty may lead to the rescheduling of some projects in the negotiation phase, as well as the postponement of investment decisions. However, demand is maintained by the needs-oriented nature of renovation.

Consti has taken additional measures to ensure its business performance in an uncertain operating environment. The measures focus especially on procurement, tendering, and customer work. The aim of the measures is to ensure a healthy margin level for order intake and the smooth advancing of customers' projects.

Despite the increased uncertainty in the operating environment, the guidance for the current year remains unchanged. The company's strong order backlog, progress of strategic projects, and steadily improved performance put Consti in a good position to continue its positive and solid development in 2022.

The Company estimates that its operating result for 2022 will be in the range of EUR 9-13 million.

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. The main goal of Consti's strategy is to utilise the full potential of its customer focused organisation structure. Consti aspires to achieve controlled and profitable growth in attractive renovation and building technology segments. In order to answer more comprehensively to customer needs the company will also offer selected new construction services. Consti's 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. In addition, the crisis in Ukraine causes uncertainty to Consti's operating environment. The risks arising from the crisis in Ukraine are described above in Outlook for 2022 -section. 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 31 March 2022, 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 2021. Financial risks and their management is described in detail in note 18 to the financial statements "Financial risk management".

Events after the reporting period

The Annual General Meeting 2022 and Board authorisations

The Annual General Meeting of Shareholders of Consti Plc held on 5 April 2022 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 2021. The Annual General Meeting resolved that a dividend of 0.45 euro per share for the financial year 2021 is paid. The record date for dividend payment is 7 April 2022 and the dividend is paid on 14 April 2022.

The Annual General Meeting resolved that the Board of Directors consists of six members. The current members of the Board of Directors, Erkki Norvio, Petri Rignell, Pekka Salokangas, Anne Westersund and Johan Westermarck were re-elected and Juhani Pitkäkoski 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 42,000 and members of the Board of Directors are each paid EUR 30,000. 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 decide on the acquisition of a maximum of 621,000 own shares in one or more tranches by using the unrestricted equity of the Company. The own shares can be acquired at a price formed in public trading on the acquisition date or at a price otherwise formed on the market. In the acquisition, derivatives, inter alia, can be used. The acquisition of own shares may be made otherwise than in proportion to the share ownership of the shareholders (directed acquisition). Own shares acquired by the Company may be held by it, cancelled or transferred. The authorisation includes the right of the Board of Directors to resolve on how the own shares are acquired as well as to decide on other matters related to the acquisition of own shares.

The authorisation revokes previous unused authorisations on the acquisition of the Company's own shares. The authorisation is valid until the following Annual General Meeting, however no longer than until 30 June 2023.

The Board of Directors was authorised to decide on the issuance of shares and on the transfer of special rights entitling to shares referred to in Chapter 10, Section 1 of the Limited Liability Companies Act, in one or several tranches, either against or without consideration. The number of shares to be issued, including shares transferred under special rights, may not exceed 780,000 shares. The Board of the Directors may decide to issue either new shares and/or transfer of own shares possibly held by the Company. The authorisation entitles the Board of Directors to resolve on all the conditions of the issuance of shares and the issuance of special rights entitling to shares, including the right to deviate from the shareholders' pre-emptive subscription right.

The authorisation revokes previous unused authorisations on the issuance of shares and the issuance of options and other special rights entitling to shares. The authorisation is valid until the end of the following Annual General Meeting, however no longer than until 30 June 2023.

Organising Meeting of the Board of Directors

The Board of Directors elected by the Annual General Meeting of Shareholders of Consti Plc on 5 April 2022 held its organising meeting and elected Petri Rignell as the Chairman of the Board. The Board of Directors appointed Petri Rignell, Erkki Norvio, Pekka Salokangas and Juhani Pitkäkoski members of the Nomination and Compensation Committee. The Board of Directors has not established other committees.

Change in Consti Group's Management Team

Consti announced on 21 April 2022, that Markku Kalevo will end his term as a Management Team member. Markku Kalevo has acted as Bid and Sales Director for Housing Companies Business Area and as a member of the Group Management Team since 2009. Consti Plc and Kalevo have jointly agreed that he will leave his position as Management Team member on 29 April 2022. Kalevo will continue to work for the Group until 13 June 2022.

INTERIM REPORT 1.1. - 31.3.2022: FINANCIAL TABLES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)	1-3 / 2022	1-3 / 2021	Change %	1-12 / 2021
Net sales	**59,830**	**59,283**	**0.9 %**	**288,773**
Other operating income	118	91	29.6 %	430
Materials and services	-42,420	-42,367	-0.1 %	-206,753
Employee benefit expenses	-13,765	-13,191	-4.4 %	-59,767
Depreciation	-998	-777	-28.4 %	-3,497
Other operating expenses	-2,406	-2,938	18.1 %	-13,482
Operating result (EBIT)	**359**	**101**	254.8 %	**5,705**
Financial income	1	2	-59.5 %	139
Financial expenses	-222	-209	-6.0 %	-1,261
Total financial income and expenses	-221	-207	-6.5 %	-1,122
Profit/loss before taxes (EBT)	**138**	**-106**		**4,583**
Total taxes	-28	21		-866
Profit/loss for the period	**111**	**-85**		**3,717**
Comprehensive income for the period 1)	**111**	**-85**		**3,717**
Earnings per share attributable to equity holders of parent company				
Earnings per share, undiluted (EUR)	0.01	-0.02		0.47
Earnings per share, diluted (EUR)	0.01	-0.02		0.46

1) The group has no other comprehensive income items.

CONSOLIDATED BALANCE SHEET (EUR 1,000)	31 Mar 2022	31 Mar 2021	Change %	31 Dec 2021
ASSETS				
Non-current assets				
Property, plant and equipment	8,221	4,791	71.6 %	8,571
Goodwill	49,501	48,604	1.8 %	49,501
Other intangible assets	257	349	-26.2 %	386
Shares and other non-current financial assets	57	17	236.8 %	57
Deferred tax receivables	198	354	-44.2 %	261
Total non-current assets	**58,235**	**54,116**	**7.6 %**	**58,777**
Current assets				
Inventories	831	687	20.9 %	827
Trade and other receivables	35,967	45,142	-20.3 %	41,365
Cash and cash equivalents	15,744	15,923	-1.1 %	18,072
Total current assets	**52,541**	**61,752**	**-14.9 %**	**60,264**
TOTAL ASSETS	**110,776**	**115,868**	**-4.4 %**	**119,041**
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent company	31,187	30,320	2.9 %	31,939
Total Equity	**31,187**	**30,320**	**2.9 %**	**31,939**
Non-current liabilities				
Interest-bearing liabilities	18,703	17,683	5.8 %	18,783
Total non-current liabilities	**18,703**	**17,683**	**5.8 %**	**18,783**
Current liabilities				
Trade and other payables	35,310	34,174	3.3 %	40,255
Advances received	10,027	21,321	-53.0 %	11,816
Interest-bearing liabilities	13,296	9,954	33.6 %	13,551
Provisions	2,252	2,415	-6.7 %	2,696
Total current liabilities	**60,886**	**67,864**	**-10.3 %**	**68,319**
TOTAL EQUITY AND LIABILITIES	**110,776**	**115,868**	**-4.4 %**	**119,041**

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 1 January 2022	**80**	**28,781**	**-696**	**3,774**	**31,939**	**0**	**31,939**
Total comprehensive income				111	111		**111**
Purchase of own shares			-531		-531		**-531**
Conveyance of own shares			983		983		**983**
Share-based incentive				-1,348	-1,348		**-1,348**
Option scheme				33	33		**33**
Transactions with shareholders, total			*452*	*-1,315*	*-863*		***-863***
Equity on 31 March 2022	**80**	**28,781**	**-244**	**2,570**	**31,187**	**0**	**31,187**

Equity on 1 January 2021	**80**	**28,252**	**-610**	**2,656**	**30,378**	**3,200**	**33,578**
Total comprehensive income				-85	-85		**-85**
Hybrid bond				-71	-71	-3,200	**-3,271**
Conveyance of own shares			132		132		**132**
Share-based incentive				-67	-67		**-67**
Option scheme				33	33		**33**
Transactions with shareholders, total			*132*	*-34*	*99*		***99***
Equity on 31 March 2021	**80**	**28,252**	**-477**	**2,466**	**30,320**	**0**	**30,320**

Equity on 1 January 2021	**80**	**28,252**	**-610**	**2,656**	**30,378**	**3,200**	**33,578**
Total comprehensive income				3,717	3,717		**3,717**
Hybrid bond				-71	-71	-3,200	**-3,271**
Dividend distribution				-3,068	-3,068		**-3,068**
Purchase of own shares			-318		-318		**-318**
Conveyance of own shares		529	231		760		**760**
Share-based incentive				407	407		**407**
Option scheme				133	133		**133**
Transactions with shareholders, total		*529*	*-86*	*-2,528*	*-2,085*		***-2,085***
Equity on 31 December 2021	**80**	**28,781**	**-696**	**3,774**	**31,939**	**0**	**31,939**

CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)	1-3/2022	1-3/2021	1-12/2021
Cash flows from operating activities			
Operating result	359	101	5,705
Adjustments:			
Depreciation	998	777	3,497
Other adjustments	-405	53	557
Change in working capital	-1,516	-3,606	-2,905
Operating cash flow before financial and tax items	**-564**	**-2,675**	**6,854**
Financial items, net	-199	-194	-1,070
Taxes paid	-231	-181	-1,094
Net cash flow from operating activities	**-995**	**-3,051**	**4,691**
Cash flows from investing activities			
Acquisition of subsidiaries and business operations, net of cash acquired	0	0	-1,089
Investments in tangible and intangible assets	-265	-253	-1,396
Proceeds from sale of property, plant and equipment	173	80	258
Net cash flow from investing activities	**-93**	**-173**	**-2,227**
Cash flows from financing activities			
Purchase of own shares	-531	0	-317
Dividend distribution	0	0	-3,068
Hybrid bond	0	-3,584	-3,584
Proceeds from long-term liabilities	0	0	18,000
Payments of long-term liabilities	0	0	-18,500
Payments of lease liabilities	-651	-541	-2,132
Change in other interest-bearing liabilities	-58	-984	953
Net cash flow from financing activities	**-1,240**	**-5,109**	**-8,649**
Change in cash and cash equivalents	**-2,328**	**-8,334**	**-6,185**
Cash and cash equivalents at period start	18,072	24,257	24,257
Cash and cash equivalents at period end	**15,744**	**15,923**	**18,072**

Accounting principles

Consti Plc's interim financial report has been prepared for the accounting period of 1 January – 31 March 2022 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 2021. 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. ESMA (European Securities and Markets Authority) has published guidelines on Alternative Performance Measures (APMs). Consti presents Alternative Performance Measures (APMs) to reflect the underlying business performance and to enhance comparability between financial periods. APMs should not be considered as a substitute for measures of performance in accordance with the IFRS.

Lease agreements

The impact of the leases on Consti's 1 Jan - 31 March 2022 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
1 Jan 2022	**3,938**	**973**	**115**	**5,026**	**5,287**
Additions	125	227	0	352	352
Depreciations	-456	-135	-26	-617	-
Interest expense	-	-	-	-	22
Payments	-	-	-	-	-651
31 March 2022	**3,607**	**1,065**	**90**	**4,762**	**5,010**

Items affecting comparability

1-3/2022 (EUR 1,000)	IFRS	IAC	Income statement before IAC
Net sales	**59,830**		**59,830**
Other operating income	118		118
Materials and services	-42,420		-42,420
Employee benefit expenses	-13,765		-13,765
Other operating expenses	-2,406		-2,406
EBITDA	**1,357**		**1,357**
Depreciation	-998		-998
Operating result (EBIT)	**359**		**359**
Financial income and expenses	-221		-221
Profit/loss before taxes (EBT)	**138**		**138**
Taxes	-28		-28
Profit/loss for the period	**111**		**111**

Items affecting comparability in 2021 relate to the arbitral award from the arbitral tribunal in the dispute between Consti Korjausrakentaminen Oy and Kiinteistö Oy Yrjönkatu 13 which relates to the construction project for Hotel St. George carried out by Consti Korjausrakentaminen Oy between years 2015-2018 and to the related legal costs.

1-3/2021 (EUR 1,000)	IFRS	IAC	Income statement before IAC
Net sales	**59,283**		**59,283**
Other operating income	91		91
Materials and services	-42,367		-42,367
Employee benefit expenses	-13,191		-13,191
Other operating expenses	-2,938	-381	-2,557
EBITDA	**878**	**-381**	**1,260**
Depreciation	-777		-777
Operating result (EBIT)	**101**	**-381**	**482**
Financial income and expenses	-207		-207
Profit/loss before taxes (EBT)	**-106**	**-381**	**275**
Taxes	21	76	-55
Profit/loss for the period	**-85**	**-305**	**220**

1-12/2021 (EUR 1,000)	IFRS	IAC	Income statement before IAC
Net sales	**288,773**	**-3,077**	**291,851**
Other operating income	430		430
Materials and services	-206,753	-182	-206,571
Employee benefit expenses	-59,767		-59,767
Other operating expenses	-13,482	-570	-12,912
EBITDA	**9,202**	**-3,829**	**13,031**
Depreciation	-3,497		-3,497
Operating result (EBIT)	**5,705**	**-3,829**	**9,535**
Financial income and expenses	-1,122	-114	-1,009
Profit/loss before taxes (EBT)	**4,583**	**-3,943**	**8,526**
Taxes	-866	789	-1,654
Profit/loss for the period	**3,717**	**-3,155**	**6,871**

Business areas

NET SALES BY BUSINESS AREA (EUR 1,000)	1-3 / 2022	1-3 / 2021	Change %	1-12 / 2021
Housing Companies	15,594	13,387	16.5 %	89,998
Corporations	20,197	21,813	-7.4 %	100,956
Public Sector	10,928	7,455	46.6 %	37,659
Building Technology	16,045	19,241	-16.6 %	72,884
Parent company and eliminations	-2,933	-2,613	-12.3 %	-12,725
Total net sales	**59,830**	**59,283**	**0.9 %**	**288,773**

NET SALES CLASSIFICATION ACCORDING TO IFRS 15 (EUR 1,000)	1-3 / 2022	1-3 / 2021	Change %	1-12 / 2021
Project deliveries				
Housing Companies	15,330	12,880	19.0 %	87,907
Corporations	18,851	19,922	-5.4 %	93,291
Public Sector	10,927	7,453	46.6 %	37,657
Building Technology	14,240	17,530	-18.8 %	65,919
Parent company and eliminations	-2,933	-2,613	-12.3 %	-12,725
Total project deliveries	**56,414**	**55,172**	**2.3 %**	**272,049**
Other cost + fee projects and service contracts				
Housing Companies	264	507	-47.9 %	2,092
Corporations	1,346	1,891	-28.8 %	7,665
Public Sector	1	2	-44.4 %	2
Building Technology	1,805	1,711	5.5 %	6,965
Parent company and eliminations	0	0		0
Total other cost + fee projects and service contracts	**3,417**	**4,111**	**-16.9 %**	**16,724**
Total net sales	**59,830**	**59,283**	**0.9 %**	**288,773**

ACCOUNTS RECEIVABLE AND CONTRACT ASSETS AND LIABILITIES (EUR 1,000)	31 Mar 2022	31 Mar 2021	Change %
Trade receivables	23,973	33,539	-28.5 %
Receivables from project deliveries and cost + fee accruals	9,798	9,074	8.0 %
Advances received from project deliveries and cost + fee accruals	10,027	21,321	-53.0 %

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

Group liabilities

GROUP LIABILITIES (EUR 1,000)	31 Mar 2022	31 Mar 2021	31 Dec 2021
Other liabilities			
Leasing and rental liabilities	79	3,651	74

The 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 (EUR 1,000)	1-3 / 2022	1-3 / 2021	1-12 / 2021
INCOME STATEMENT			
Net sales	59,830	59,283	288,773
EBITDA	1,357	878	9,202
EBITDA margin, %	2.3 %	1.5 %	3.2 %
Adjusted operating result (EBIT)	359	482	9,535
Adjusted operating result (EBIT) margin, %	0.6 %	0.8 %	3.3 %
Operating result (EBIT)	359	101	5,705
Operating result (EBIT) margin, %	0.6 %	0.2 %	2.0 %
Profit/loss before taxes (EBT)	138	-106	4,583
as % of sales	0.2 %	-0.2 %	1.6 %
Profit/loss for the period	111	-85	3,717
as % of sales	0.2 %	-0.1 %	1.3 %
OTHER KEY FIGURES			
Balance sheet total	110,776	115,868	119,041
Net interest-bearing debt	16,255	11,714	14,262
Equity ratio, %	31.0 %	32.1 %	29.8 %
Gearing, %	52.1 %	38.6 %	44.7 %
Return on investment, ROI %	10.1 %	13.1 %	9.2 %
Free cash flow	-830	-2,929	5,458
Cash conversion, %	n/a	n/a	59.3 %
Order backlog	205,094	196,489	218,578
Order intake	37,561	69,842	275,108
Average number of personnel	944	942	969
Number of personnel at period end	933	946	961
SHARE RELATED KEY FIGURES			
Earnings per share, undiluted (EUR)	0.01	-0.02	0.47
Earnings per share, diluted (EUR)	0.01	-0.02	0.46
Shareholders' equity per share (EUR)	4.03	3.95	4.15
Number of shares, end of period	7,858,267	7,858,267	7,858,267
Number of outstanding shares, end of period	7,734,528	7,670,114	7,694,406
Average number of outstanding shares	7,692,360	7,656,521	7,679,882

Calculation of key figures

EBITDA =	Operating result (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 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 operating result (EBIT) =	Operating result (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)	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20
Net sales	59,830	82,605	75,984	70,902	59,283	78,098	68,202	69,306	59,039
Other operating income	118	171	89	78	91	122	41	232	116
Materials and services	-42,420	-58,050	-54,588	-51,748	-42,367	-54,035	-48,292	-48,561	-40,823
Employee benefit expenses	-13,765	-17,255	-14,402	-14,919	-13,191	-15,626	-13,583	-14,854	-14,045
Other operating expenses	-2,406	-3,457	-3,050	-4,037	-2,938	-4,831	-3,119	-2,942	-3,007
EBITDA	1,357	4,014	4,033	276	878	3,729	3,249	3,181	1,281
EBITDA margin, %	2.3 %	4.9 %	5.3 %	0.4 %	1.5 %	4.8 %	4.8 %	4.6 %	2.2 %
Depreciation	-998	-1,004	-910	-807	-777	-775	-795	-813	-819
Adjusted operating result (EBIT)	359	3,011	3,124	2,918	482	3,522	2,631	2,721	603
Adjusted operating result (EBIT) margin, %	0.6 %	3.6 %	4.1 %	4.1 %	0.8 %	4.5 %	3.9 %	3.9 %	1.0 %
Operating result (EBIT)	359	3,011	3,124	-531	101	2,954	2,454	2,368	462
Operating result (EBIT) margin, %	0.6 %	3.6 %	4.1 %	-0.7 %	0.2 %	3.8 %	3.6 %	3.4 %	0.8 %
Financial income	1	21	2	114	2	2	1	1	1
Financial expenses	-222	-232	-335	-485	-209	-230	-227	-240	-308
Total financial income and expenses	-221	-212	-333	-371	-207	-228	-227	-239	-308
Profit/loss before taxes (EBT)	138	2,799	2,791	-901	-106	2,725	2,227	2,129	154
Total taxes	-28	-509	-558	180	21	-583	-533	-418	-26
Profit/loss for the period	111	2,290	2,233	-721	-85	2,142	1,694	1,711	128
Balance sheet total	110,776	119,041	113,512	113,693	115,868	128,595	127,038	122,930	121,628
Net interest-bearing debt	16,255	14,262	18,635	20,404	11,714	4,737	7,383	11,272	17,760
Equity ratio, %	31.0 %	29.8 %	29.1 %	26.9 %	32.1 %	32.7 %	32.6 %	31.0 %	29.9 %
Gearing, %	52.1 %	44.7 %	62.6 %	76.3 %	38.6 %	14.1 %	23.6 %	37.9 %	60.8 %
Return on investment, ROI %	10.1 %	9.2 %	9.3 %	8.5 %	13.1 %	13.6 %	14.1 %	13.7 %	9.5 %
Order backlog	205,094	218,578	217,895	236,191	196,489	177,857	189,402	211,838	202,220
Order intake	37,561	66,854	39,956	98,458	69,842	54,322	31,003	66,811	62,146
Average number of personnel	944	969	990	977	942	938	977	998	971
Number of personnel at period end	933	961	998	1,003	946	927	959	999	973
Earnings per share, undiluted (EUR)	0.01	0.30	0.29	-0.09	-0.02	0.27	0.21	0.21	0.01
Number of outstanding shares, end of period	7,734,528	7,694,406	7,719,406	7,670,114	7,670,114	7,652,123	7,652,123	7,671,123	7,685,123
Average number of outstanding shares	7,692,360	7,706,091	7,686,187	7,670,114	7,656,521	7,652,123	7,657,699	7,683,872	7,679,279

Largest shareholders

10 LARGEST SHAREHOLDERS 31 March 2022		Number of shares	% of shares and voting rights
1	Lujatalo Oy	790,000	10.05 %
2	Heikintorppa Oy	750,000	9.54 %
3	Wipunen Varainhallinta Oy	750,000	9.54 %
4	Fennia Life Insurance Company	518,525	6.60 %
5	Korkeela Esa	442,058	5.63 %
6	Kivi Risto	380,473	4.84 %
7	Kalevo Markku	300,044	3.82 %
8	Varma Mutual Pension Insurance Company	172,000	2.19 %
9	Korkeela Antti	157,515	2.00 %
10	Drumbo Oy	150,000	1.91 %
Ten largest owners, total		**4,410,615**	**56.13 %**
Nominee registered		1,200,163	15.27 %
Others		2,247,489	28.60 %
Total		**7,858,267**	**100.00 %**

In Helsinki, 28 April 2022

Consti Plc's Board of Directors

Press conference

Microsoft Teams meeting for analysts, portfolio managers and media representatives, will take place 29 April 2022, at 10:00 a.m. (EET). The meeting will be hosted by CEO Esa Korkeela and CFO Joni Sorsanen.

Financial communication in 2022

- Half-year report 1-6/2022 will be published 22 July 2022
- Interim report 1-9/2022 will be published 27 October 2022

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