

**NET SALES GREW, PROFITABILITY IMPROVED**
**7-9/2021 highlights (comparison figures in parenthesis 7-9/2020):**

- Net sales 76.0 (68.2) million euro; growth 11.4 %
- EBITDA 4.0 (3.2) million euro and EBITDA margin 5.3% (4.8%)
- Adjusted operating result (EBIT) EUR 3.1 (2.6) million and Adjusted EBIT margin 4.1% (3.9%)
- Operating result (EBIT) 3.1 (2.5) million and EBIT margin 4.1% (3.6%)
- Order backlog 217.9 (189.4) million euro; growth 15.0%
- Order intake EUR 40.0 (31.0) million; growth 28.9%
- Free cash flow 3.6 (4.6) million euro
- Earnings per share 0.29 (0.21) euro

**1-9/2021 highlights (comparison figures in parenthesis 1-9/2020):**

- Net sales 206.2 (196.5) million euro; growth 4.9 %
- EBITDA 5.2 (7.7) million euro and EBITDA margin 2.5 % (3.9 %)
- Adjusted operating result (EBIT) EUR 6.5 (6.0) million and Adjusted EBIT margin 3.2% (3.0%)
- Operating result (EBIT) 2.7 (5.3) million and EBIT margin 1.3% (2.7%)
- Order intake EUR 208.3 (160.0) million; growth 30.2%
- Free cash flow -0.7 (14.7) million euro
- Earnings per share 0.18 (0.43) euro

**Guidance on the Group outlook for 2021:**

The Company estimates that its operating result for 2021 will be in the range of EUR 4-8 million.

KEY FIGURES (EUR 1,000)	7-9/ 2021	7-9/ 2020	Change %	1-9/ 2021	1-9/ 2020	Change %	1-12/ 2020
Net sales	75,984	68,202	11.4 %	206,168	196,548	4.9 %	274,646
EBITDA	4,033	3,249	24.1 %	5,188	7,711	-32.7 %	11,440
EBITDA margin, %	5.3 %	4.8 %		2.5 %	3.9 %		4.2 %
Adjusted operating result (EBIT)	3,124	2,631	18.7 %	6,524	5,955	9.5 %	9,478
Adjusted EBIT margin, %	4.1 %	3.9 %		3.2 %	3.0 %		3.5 %
Operating result (EBIT)	3,124	2,454	27.3 %	2,694	5,283	-49.0 %	8,237
Operating result (EBIT) margin, %	4.1 %	3.6 %		1.3 %	2.7 %		3.0 %
Profit/loss for the period	2,233	1,694	31.8 %	1,427	3,533	-59.6 %	5,675
Order backlog				217,895	189,402	15.0 %	177,857
Free cash flow	3,608	4,599	-21.6 %	-678	14,692		18,334
Cash conversion, %	89.4 %	141.5 %		n/a	190.5 %		160.3%
Net interest-bearing debt				18,635	7,383	152.4 %	4,737
Gearing, %				62.6 %	23.6 %		14.1 %
Return on investment, ROI %				9.3 %	14.1 %		13.6 %
Number of personnel at period end				998	959	4.1 %	927
Earnings per share, undiluted (EUR)	0.29	0.21	38.1 %	0.18	0.43	-58.1 %	0.70

## CEO's Review

"During the third quarter of 2021, our net sales were 76.0 (68.2) million euro. Our net sales grew 11.4 percent to the comparison period.

Our adjusted operating result (EBIT) for July-September before items affecting comparability was 3.1 (2.6) million euro, which is 4.1 (3.9) percent of our net sales. Operationally the third quarter advanced as expected and our projects largely progressed as planned. Our operating result (EBIT) for the third quarter was 3.1 (2.5) million euro, which is 4.1 (3.6) percent of our net sales. All our business areas improved their profitability in July-September from the comparison period. Construction material price increases and material availability did not have a significant impact on our business during January-September. The impact was limited due to the labour-intensive nature of renovation, the timing of procurement in our ongoing projects, and the contract models in our project portfolio.

During July-September, our order intake was 40.0 (31.0) million euro, which means an increase of 28.9 percent from the comparison period. Our order intake in January-September increased by 30.2 percent from the comparison period and amounted to 208.3 (160.0) million euro. Our order backlog at the end of the reporting period increased by 15.0 percent from the comparison period and was 217.9 (189.4) million euro. The good order intake during the ongoing year, the strengthened order backlog, and the growth in net sales are good indications of how well our customers have received our new strategy focusing on customer orientation, sustainability, and the expansion into the new construction services.

During the reporting period, we completed our first acquisition in accordance with our new strategy by acquiring the share capital of RA-Urakointi Oy, which operates in Uusimaa. RA-Urakointi Oy is a company specialising in the repair of apartments and row houses. Its service offering includes facade repairs and seams as well as various microbial and bathroom repairs. Our strategic goal has been to meet the increased demand in the housing company market. The acquisition will strengthen our expertise, especially in special contracting and in meeting the renovation needs of row houses.

One of our strategic goals is controlled and profitable growth in attractive building technology segments. To accelerate the implementation of the strategy and increase our efforts, especially in the growth of our service business in building technology, we appointed Heikki Pesu as Business Area Director of Building Technology and as a member of Consti Oyj's Management Team during the reporting period.

The market environment for construction and building technology services remained at an adequate level during the third quarter. The coronavirus pandemic (COVID-19) did not have a significant impact on our ability to carry out our projects during the reporting period. The pandemic continues to have a negative effect on the demand for renovation and modification work in commercial premises, but the market is gradually recovering. On the other hand, the rapid rise in construction costs and problems with the availability of construction materials have increased uncertainty in the market environment. Although the rise in input prices is expected to slow down towards the end of the year, construction cost development and availability problems may have a negative impact on the ability to advance ongoing projects according to plans and on the demand situation.

Our strong order backlog puts us in a good position to continue positive solid development in the last quarter of the year as well."

## Operating environment

### *Construction market 2021-22*

In its October report, the Confederation of Finnish Construction Industries RT estimates that the total volume of construction in 2021 will grow by about 1.5 percent from the previous year. According to RT's forecast, the renovation market is expected to grow by about one percent in 2021. RT predicts that in 2022, the total construction volume will grow to about 2.5% and the renovation market will grow to 2.0%.

A construction trends group led by the Ministry of Finance assessed the development of construction trends in its Construction 2021–2022 report, which was published in September. The group estimates that construction will grow by 0–2% this year. The report predicts that the busiest phase of construction will take place in the second half of 2021 and the first half of 2022. According to the construction trends group's forecast, construction output will grow by 2–4 percent in 2022.

The group estimates that renovation will grow approximately 1.5% in 2021 and the growth is expected to pick up to two percent in 2022. In 2021 and 2022 renovation growth is expected in both residential and

commercial buildings, due to improved health safety brought about by vaccination coverage, the positive development of the economy, low interest rates, the repair needs generated by the lively housing and leisure housing trade, and pent-up repair needs.

According to the Confederation of Finnish Construction Industries RT, the rapid rise in construction costs and the challenges related to the availability of materials and personnel are risk factors in the construction industry's economic outlook.

### *The renovation market in general*

The value of professional renovations in total was nearly 14 billion euro in 2020, with residential building renovations' share amounting to 8.0 billion euro. Most renovations are conducted in apartment buildings and row houses.

Professional renovation has grown nearly continuously in Finland for the past 20 years. Renovations' share of all construction was approximately 47 percent in 2020.

According to a renovation market analysis, which was conducted for Rakennuslehti magazine by Forecon, the volume of renovation construction tripled in Finland between 1980 and 2020. Forecon estimates that repairs increased by approximately 3 billion euro in the 2010s and will continue to grow by approximately 2 billion euro in the 2020s. Growth is expected to slow down as the industry grows, but renovations have better growth prospects than new construction does when looking at the entire 2020s.

Public service construction, especially schools and hospitals, has grown rapidly in recent years. New construction of schools is estimated to continue active, but on the whole public construction is expected to decline in upcoming years. This will have a considerable impact on the volume development of construction.

The need for facade renovations is growing, mainly due to 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. However, housing companies from the 1960s have still been renovated most when looking at the value of the renovations in proportion to the net floor area. Housing companies from the 1960s are clearly the largest group especially in building technology renovations.

Building technology renovations are the fastest growing area of renovations, including for example pipeline renovations, heating, ventilation, cooling and electrical renovations. Forecon estimates that in the 21st century, the growth of building technology renovations has been about 4–5 percent per year, while renovation growth has been about 1–2 percent per year on average. In recent years, building technology has accounted for almost half of all renovations in housing companies and about 40 percent of the total renovation of the housing stock.

Structures and facades are the second largest group, making up nearly 40 percent of all renovations. For financial reasons, facade renovations have had to be postponed in many housing companies to make room for pipeline renovations. According to the Finnish Real Estate Federation's renovation barometer, there is currently almost the same number of facade and pipeline renovations ongoing in housing companies. The barometer estimates that in upcoming years renovation needs will focus increasingly on facades.

Approximately one fifth of renovations are repair and maintenance renovations.

The demand for renovation is maintained by 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 in Finland, and in the 1990s and early 2000s more commercial and office buildings were built than residential buildings. Premises from that era do not necessarily meet present-day needs. In addition, the growing amount of remote work and online shopping due to the corona pandemic add new challenges to the efficient use of premises.

Megatrends such as aging population, urbanisation and climate change also add to renovation needs. Like new construction, renovation is also estimated to continue concentrating to growth centres and regional differences in growth are expected to strengthen even more in future.

Climate change mitigation requires for instance improved energy efficiency in buildings, as stipulated in the EU's energy efficiency directive. This is fostered for example with building technology and facade renovations. Adaption to weather variations caused by climate change necessitates meticulous maintenance of facades in particular.

## 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 two subsidiaries completely owned by the parent company: Consti Korjausrakentaminen Oy (Housing Companies, Corporations and Public Sector) and Consti Talotekniikka Oy (Building Technology). The merger of RA-Urakointi Oy, acquired in August 2021, with Consti Korjausrakentaminen Oy is strived to be implemented during the first quarter of 2022.

## 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 to adjusted EBITDA ratio of less than 2.5x
- The Company's aim is to distribute as dividends at least 50 percent of the Company's annual net profit

## Sales, result and order backlog

7-9/2021

Consti Group's July-September net sales increased 11.4 percent and were 76.0 (68.2) million euro. Housing Companies net sales were 27.6 (23.8), Corporations net sales were 25.6 (21.5), Public Sector net sales were 9.6 (9.8) and Building Technology net sales were 16.3 (15.9) million euro.

Of the business areas engaged in the construction business, net sales grew in Corporations and in Housing Companies but decreased in Public Sector. Net sales in Corporations business area grew in Greater Helsinki area as well as in other areas. Net sales in Housing Companies business area grew in Greater Helsinki area and in other areas. The net sales of Building Technology business area increased in building technology installations business but decreased in service business.

Operating result (EBIT) for July-September was 3.1 (2.5) million euro. Operating result from net sales was 4.1 (3.6) percent. Adjusted operating result (EBIT) for July-September was 3.1 (2.6) million euro. Adjusted operating result from net sales was 4.1 (3.9) percent. Operationally July-September advanced as expected and projects largely progressed as planned. Profitability improved in all business areas in July-September from the comparison period.

The order backlog at the end of the reporting period increased 15.0 percent and was 217.9 (189.4) million euro. Order intake value during July-September increased 28.9 percent and was 40.0 (31.0) million euro.

1–9/2021

Consti Group's January-September net sales increased 4.9 percent and were 206.2 (196.5) million euro. Housing Companies net sales were 62.7 (65.0), Corporations net sales were 73.4 (63.9), Public Sector net sales were 25.5 (29.4) and Building Technology net sales were 53.4 (47.9) million euro.

Of the business areas engaged in the construction business, net sales grew in Corporations but decreased in Housing Companies and Public Sector. Net sales in Corporations business area grew in Greater Helsinki area as well as in other areas. The decrease in net sales of Housing Companies business area resulted from weaker demand than in the previous year in Oulu and in Tampere. The net sales of Building Technology business area increased in Greater Helsinki area as well as in Tampere area.

Operating result (EBIT) for January-September was 2.7 (5.3) million euro. Operating result from sales was 1.3 (2.7) percent. Adjusted operating result (EBIT) for January-September was 6.5 (6.0) million euro. Adjusted operating result from sales was 3.2 (3.0) percent. Operationally January-September advanced as expected and projects largely progressed as planned. Items affecting comparability in the reporting period and comparison periods relate to the arbitral tribunal's award regarding the construction project of Hotel St. George received in June 2021, and the legal costs of the procedures.

The order backlog at the end of the reporting period increased 22.5 percent compared to the end of the previous financial year and was 217.9 million euro. The order intake value during January-September increased 30.2 percent and was 208.3 (160.0) million euro.

### Investments and business combinations

Investments into intangible and tangible assets in July-September were 0.4 (0.2) million euro, which is 0.6 (0.3) percent of the company's net sales. Investments into tangible and intangible assets in January-September were 1.2 (0.9) million euro, which is 0.6 (0.5) percent of net sales. The largest investments were made into property, plant and equipment, which primarily include machinery and equipment purchases. Investments into right-of-use assets (IFRS 16) during January-September were EUR 4.1 (0.5) million. The majority of investments into right-of-use assets during the reporting period were related to new headquarters in Helsinki.

Investments related to business combinations during July-September were 1.7 (0.0) million euro. During the July-September reporting period, Consti signed a deal of the purchase of the entire share base of RA-Urakointi Oy. RA-Urakointi Oy specialises in facade renovations and interior renovations of apartment and row housing companies. RA-Urakointi Oy had a turnover of approximately EUR 8.4 million in 2020. The employees of RA-Urakointi Oy, 30 people, transferred to work for Consti. Consti's strategic goal has been to meet the increased demand in the housing company market. The acquisition will strengthen Consti's expertise, especially in special contracting and in meeting the renovation needs of row houses.

In January-September investments related to business combinations were 1.7 (0.0) million euro. Consti signed a deal of the purchase of the entire share base of RA-Urakointi Oy in August 2021.

### Cash flow and financial position

The operating cash flow in July-September before financing items and taxes was 4.0 (4.8) million euro. Free cash flow was 3.6 (4.6) million euro. The cash conversion (%) in July-September was 89.4 (141.5). July-September cash flow was positively affected by the improvement of operating result. Change in working capital in July-September was -0.1 (1.4) million euro.

The January-September operating cash flow before financing items and taxes was 0.5 (15.6) million euro. Free cash flow was -0.7 (14.7) million euro. The cash flow in January-September was affected particularly by tied up working capital during the reporting period. Working capital was tied up as the financial position of project portfolio changed during the reporting period as a few large comprehensive renovation projects progressed towards the final settlement phase.

Consti Group's cash and cash equivalents on 30 September 2021 were 14.6 (22.2) million euro. In addition, the company has undrawn revolving credit facilities and unused credit limits amounting to 8.0 million euro in total. The Group's interest bearing debts were 33.3 (29.5) million euro. External loans are subject to two



financial covenants based on the ratio of the Group's net debt to adjusted EBITDA and gearing. On the balance sheet date, the interest bearing net debt was 18.6 (7.4) million euro and the gearing ratio 62.6 (23.6) percent. At the balance sheet date 30 September 2021, 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 Plc redeemed in March 2021 the EUR 3.2 million hybrid bond issued in March 2019 in accordance with its terms and conditions. The interest paid on the hybrid bond in March 2021, 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 30 September 2021 was 113.5 (127.0) million euro. At the end of the reporting period, tangible assets in the balance sheet were 8.6 (5.3) 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. Equity ratio was 29.1 (32.6) percent.

Within the framework of the EUR 50 million domestic commercial paper program initiated in October 2019, Consti may issue commercial papers with maturity of under one year. During January-September 2021, Consti issued new commercial papers with maturity of under one year amounting to EUR 13.0 million. During the same period, matured total of EUR 12.0 million earlier issued commercial papers.

Consti refinanced its long-term loan in June 2021. The old loans, amounting to 17.5 million euro in total, were paid in full and new loans were taken amounting to 18.0 million euro. Refinancing the loans extended the maturity by at least three years. In addition, the new loan agreement includes an extension option to extend the maturity of the loan by a maximum of two years. As in the previous loan agreement, the new loan agreement also includes a limit of 5 million euro for short-term financing needs.

<b>MATURITY DISTRIBUTION OF INTEREST-BEARING DEBT (EUR 1,000)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026-</b>	<b>Total</b>
Bank loans	1,090	2,330	2,290	13,130	0	0	<b>18,840</b>
Commercial papers	5,000	4,000	0	0	0	0	<b>9,000</b>
Lease liabilities	640	1,467	1,121	895	830	334	<b>5,286</b>
Other interest-bearing liabilities	151	494	320	157	39	0	<b>1,162</b>
<b>Total</b>	<b>6,880</b>	<b>8,291</b>	<b>3,730</b>	<b>14,183</b>	<b>869</b>	<b>334</b>	<b>34,287</b>

*\*Including deferred interest expense*

## Personnel

Consti Group had 998 (959) employees at the end of the reporting period. The average employee count during January-September was 970 (982).

At the end of the reporting period 384 (336) employees worked in Housing Companies, 220 (226) in Corporations, 51 (47) in Public Sector and 329 (340) in the Building Technology business area. The parent company employed 14 (10) people.

<b>PERSONNEL AT PERIOD END</b>	<b>30 Sep 2021</b>	<b>30 Sep 2020</b>	<b>Change %</b>	<b>31 Dec 2020</b>
Housing Companies	384	336	14.3 %	320
Corporations	220	226	-2.7 %	222
Public Sector	51	47	8.5 %	47
Building Technology	329	340	-3.2 %	328
Parent company	14	10	40.0 %	10
<b>Group</b>	<b>998</b>	<b>959</b>	<b>4.1 %</b>	<b>927</b>

## Management Team

Consti announced on 1 July 2021 that Pekka Pöykkö, who has acted as Business Area Director of Building Technology and a member of the Group Management Team, will leave his position on 23 July 2021. Esa Korkeela, CEO of Consti Plc, served as interim Business Area Director of Building Technology until 30 September 2021.

Consti announced on 6 September 2021 that Heikki Pesu (born 1967, M.Sc. (Eng.)) has been appointed as Business Area Director of Building Technology and a member of Consti's Management Team. In his new role, Heikki Pesu will also act as CEO of Consti Talotekniikka Oy. Heikki Pesu assumed the new position on 1 October 2021, and he reports to Esa Korkeela, CEO of Consti Group.

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, 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 ("Consti") received an announcement from Evli Pankki Oyj ("Evli") on 17 August 2021, 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 Evli decreased below five (5) per cent of the share capital of Consti on 16 August 2021.

Consti announced 1 September 2021, that Consti Plc's Board of Directors has decided on transferring a total of 49,292 own shares (CONSTI) related to the purchase of the shares of RA-Urakointi Oy. In accordance with the share purchase agreement, part of the purchase price is paid with Company's own shares. The value of the transferred shares is approximately EUR 627,980 in total, calculated based on the weighted average share price of the Company in the period of 1 June 2021 - 25 August 2021 in accordance with the terms of the share purchase agreement. RA-Urakointi Oy specialises in facade renovations and interior renovations of apartment and row houses. The acquisition will strengthen Housing Companies business area and Consti's expertise, especially in special contracting and in meeting the renovation needs of row houses.

## The Annual General Meeting 2021 and Board authorisations

The Annual General Meeting of Shareholders of Consti Plc held on 7 April 2021 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 2020. The Annual General Meeting resolved that a dividend of 0.40 euro per share for the financial year 2020 is paid. The record date for dividend payment was 9 April 2021 and the dividend was paid on 16 April 2021.

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, Anne Westersund and Johan Westermarck were re-elected as members 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 decide on the acquisition of a maximum of 580,000 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 2022.

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 2022.

### **Organising Meeting of the Board of Directors**

The Board of Directors elected by the Annual General Meeting of Shareholders of Consti Plc on 7 April 2021 held its organising meeting and elected Tapio Hakakari as the Chairman of the Board and Erkki Norvio as the Deputy Chairman of the Board. The Board of Directors appointed Petri Rignell, Erkki Norvio, Tapio Hakakari and Pekka Salokangas as members of the Nomination and Compensation Committee. The Board of Directors has not established other committees.

### **Shares and share capital**

Consti Plc's share capital on 30 September 2021 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. Consti Plc's shares are added into the Book-Entry Securities System.

### **Share based bonus schemes**

Consti Plc's Board decided on 2 March 2021 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 2021 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 2021 will be paid to participants partly in shares and partly in cash after a two-year vesting period in 2024. During the performance period 2021, 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 2021 will amount up to a maximum total of approximately 230,000 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.

### **Trade at Nasdaq Helsinki**

Consti Plc has been listed in the Helsinki Stock Exchange main list since 15 December 2015. The trade symbol is CONSTI. On the Nordic list Consti Plc is classified a small cap company within the Industrials sector. During 1 January – 30 September 2021 Consti Plc's lowest share price was EUR 9.30 (6.00) and the highest EUR 14.10 (9.18). The share's trade volume weighted average price was EUR 12.20 (7.61). At the close of the stock day on the last trading day of the reporting period 30 September 2021 the share value was EUR 11.80 (8.54) and the Company's market value was EUR 92.7 (67.1) million.

### **Related-party transactions**

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



## Outlook for 2021

The volume of construction is estimated to grow in 2021 by about 1.5 percent from the previous year. The busiest phase of construction is estimated to take place in the second half of 2021 and the first half of 2022. The renovation market is estimated to grow by about one percent in 2021 and the growth is expected to rise to 2.0 percent in 2022.

Uncertainty in the operating environment towards the end of the year is intensified in particular by the rising costs of construction materials and possible availability problems. The increase in the price level and availability of construction materials did not have a significant impact on Consti's business in January-September. The impact was limited due to the labour-intensive nature of renovation, the timing of procurement in ongoing projects, and the contract models in the project portfolio. In the fourth quarter, the impact is estimated to be somewhat higher for ongoing projects where a rapid increase in material costs has not been sufficiently considered at the tendering phase. In addition, the coronavirus pandemic continues to cause uncertainty in the operating environment.

The Company estimates that its operating result for 2021 will be in the range of EUR 4-8 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 coronavirus pandemic causes uncertainty to Consti's operating environment. The risks arising from coronavirus pandemic are described above in Outlook for 2021 -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-ported 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 30 June 2021, 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 2020. Financial risks and their management is described in detail in note 18 to the financial statements "Financial risk management".

### **Dividend and dividend policy**

The Annual General Meeting of Shareholders held on 7 April 2021 resolved that dividend of EUR 0.40 per share for the financial year 2020 is paid. No dividend was paid on own shares held by the Company. The record date for dividend distribution was 9 April 2021, and the dividend was paid on 16 April 2021.

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

### **Events after the reporting period**

Consti Plc ("Consti") received an announcement from Insurance Company Henki-Fennia ("Henki-Fennia") on 5 October 2021, 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 Henki-Fennia increased above five (5) per cent of the share capital of Consti on 3 September 2021.

**INTERIM REPORT 1.1. - 30.9.2021: FINANCIAL TABLES**

<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)</b>	<b>7-9 / 2021</b>	<b>7-9 / 2020</b>	<b>Change %</b>	<b>1-9 / 2021</b>	<b>1-9 / 2020</b>	<b>Change %</b>	<b>1-12 / 2020</b>
<b>Net sales</b>	<b>75,984</b>	<b>68,202</b>	<b>11.4 %</b>	<b>206,168</b>	<b>196,548</b>	<b>4.9 %</b>	<b>274,646</b>
Other operating income	89	41	116.6 %	259	389	-33.5 %	511
Materials and services	-54,588	-48,292	-13.0 %	-148,703	-137,676	-8.0 %	-191,711
Employee benefit expenses	-14,402	-13,583	-6.0 %	-42,511	-42,482	-0.1 %	-58,108
Depreciation	-910	-795	-14.4 %	-2,493	-2,427	-2.7 %	-3,203
Other operating expenses	-3,050	-3,119	2.2 %	-10,025	-9,068	-10.6 %	-13,899
<b>Operating result (EBIT)</b>	<b>3,124</b>	<b>2,454</b>	<b>27.3 %</b>	<b>2,694</b>	<b>5,283</b>	<b>-49.0 %</b>	<b>8,237</b>
Financial income	2	1	279.3 %	118	2		4
Financial expenses	-335	-227	-47.3 %	-1,029	-776	-32.7 %	-1,006
Total financial income and expenses	-333	-227	-46.7 %	-911	-773	-17.8 %	-1,002
<b>Profit/loss before taxes (EBT)</b>	<b>2,791</b>	<b>2,227</b>	<b>25.3 %</b>	<b>1,784</b>	<b>4,510</b>	<b>-60.5 %</b>	<b>7,235</b>
Total taxes	-558	-533	-4.7 %	-357	-977	63.5 %	-1,560
<b>Profit/loss for the period</b>	<b>2,233</b>	<b>1,694</b>	<b>31.8 %</b>	<b>1,427</b>	<b>3,533</b>	<b>-59.6 %</b>	<b>5,675</b>
<b>Comprehensive income for the period 1)</b>	<b>2,233</b>	<b>1,694</b>	<b>31.8 %</b>	<b>1,427</b>	<b>3,533</b>	<b>-59.6 %</b>	<b>5,675</b>
Earnings per share attributable to equity holders of parent company							
Earnings per share, undiluted (EUR)	0.29	0.21	38.1 %	0.18	0.43	-58.1 %	0.70
Earnings per share, diluted (EUR)	0.28	0.21	33.3 %	0.17	0.43	-60.5 %	0.69

1) The group has no other comprehensive income items.

CONSOLIDATED BALANCE SHEET (EUR 1,000)	30 Sep 2021	30 Sep 2020	Change %	31 Dec 2020
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	8,614	5,279	63.2 %	5,142
Goodwill	49,482	48,604	1.8 %	48,604
Other intangible assets	411	355	15.9 %	401
Shares and other non-current financial assets	57	17	236.8 %	17
Deferred tax receivables	264	801	-67.0 %	278
<b>Total non-current assets</b>	<b>58,829</b>	<b>55,056</b>	<b>6.9 %</b>	<b>54,443</b>
<b>Current assets</b>				
Inventories	868	639	35.8 %	656
Trade and other receivables	39,195	49,185	-20.3 %	49,239
Cash and cash equivalents	14,620	22,157	-34.0 %	24,257
<b>Total current assets</b>	<b>54,684</b>	<b>71,981</b>	<b>-24.0 %</b>	<b>74,152</b>
<b>TOTAL ASSETS</b>	<b>113,512</b>	<b>127,038</b>	<b>-10.6 %</b>	<b>128,595</b>
<b>EQUITY AND LIABILITIES</b>				
Equity attributable to owners of the parent company	29,751	28,073	6.0 %	30,378
Hybrid bond	0	3,200	-100.0 %	3,200
<b>Total Equity</b>	<b>29,751</b>	<b>31,273</b>	<b>-4.9 %</b>	<b>33,578</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	20,001	18,608	7.5 %	17,869
<b>Total non-current liabilities</b>	<b>20,001</b>	<b>18,608</b>	<b>7.5 %</b>	<b>17,869</b>
<b>Current liabilities</b>				
Trade and other payables	36,669	33,026	11.0 %	37,373
Advances received	11,136	31,123	-64.2 %	25,980
Interest-bearing liabilities	13,255	10,932	21.2 %	11,126
Provisions	2,701	2,076	30.1 %	2,670
<b>Total current liabilities</b>	<b>63,761</b>	<b>77,158</b>	<b>-17.4 %</b>	<b>77,149</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>113,512</b>	<b>127,038</b>	<b>-10.6 %</b>	<b>128,595</b>

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
<b>Equity on 1 January 2021</b>	<b>80</b>	<b>28,252</b>	<b>-610</b>	<b>2,656</b>	<b>30,298</b>	<b>3,200</b>	<b>33,578</b>
Total comprehensive income				1,427	1,427		1,427
Hybrid bond				-71	-71	-3,200	-3,271
Dividend distribution				-3,068	-3,068		-3,068
Conveyance of own shares		529	231		760		760
Share-based incentive				226	226		226
Option scheme				100	100		100
<i>Transactions with shareholders, total</i>		529	231	-2,743	-1,982		-1,982
<b>Equity on 30 September 2021</b>	<b>80</b>	<b>28,781</b>	<b>-379</b>	<b>1,269</b>	<b>29,671</b>	<b>0</b>	<b>29,751</b>

<b>Equity on 1 January 2020</b>	<b>80</b>	<b>28,252</b>	<b>-395</b>	<b>-1,800</b>	<b>26,057</b>	<b>3,200</b>	<b>29,337</b>
Total comprehensive income				3,533	3,533		3,533
Hybrid bond				-465	-465		-465
Dividend distribution				-1,230	-1,230		-1,230
Purchase of own shares			-266		-266		-266
Conveyance of own shares			52		52		52
Share-based incentive				279	279		279
Option scheme				33	33		33
<i>Transactions with shareholders, total</i>			-215	-918	-1,132		-1,132
<b>Equity on 30 September 2020</b>	<b>80</b>	<b>28,252</b>	<b>-610</b>	<b>351</b>	<b>27,993</b>	<b>3,200</b>	<b>31,273</b>

<b>Equity on 1 January 2020</b>	<b>80</b>	<b>28,252</b>	<b>-395</b>	<b>-1,800</b>	<b>26,057</b>	<b>3,200</b>	<b>29,337</b>
Total comprehensive income				5,675	5,675		5,675
Hybrid bond				-544	-544		-544
Dividend distribution				-1,230	-1,230		-1,230
Purchase of own shares			-266		-266		-266
Conveyance of own shares			52		52		52
Share-based incentive				487	487		487
Option scheme				67	67		67
<i>Transactions with shareholders, total</i>			-215	-676	-891		-891
<b>Equity on 31 December 2020</b>	<b>80</b>	<b>28,252</b>	<b>-610</b>	<b>2,656</b>	<b>30,298</b>	<b>3,200</b>	<b>33,578</b>



CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
<b>Cash flows from operating activities</b>					
Operating result	3,124	2,454	2,694	5,283	8,237
Adjustments:					
Depreciation	910	795	2,493	2,427	3,203
Other adjustments	118	144	375	226	422
Change in working capital	-118	1,412	-5,076	7,664	7,678
<b>Operating cash flow before financial and tax items</b>	<b>4,033</b>	<b>4,805</b>	<b>486</b>	<b>15,601</b>	<b>19,539</b>
Financial items, net	-333	-227	-911	-773	-1,002
Taxes paid	-187	-301	-550	-301	-728
<b>Net cash flow from operating activities</b>	<b>3,513</b>	<b>4,276</b>	<b>-975</b>	<b>14,526</b>	<b>17,810</b>
<b>Cash flows from investing activities</b>					
Acquisition of subsidiaries and business operations, net of cash acquired	-1,070	0	-1,070	0	0
Investments in tangible and intangible assets	-425	-206	-1,164	-909	-1,206
Investments in right-of-use assets (IFRS 16)	-231	-59	-4,135	-510	-940
Proceeds from sale of property, plant and equipment	37	47	152	270	359
<b>Net cash flow from investing activities</b>	<b>-1,689</b>	<b>-218</b>	<b>-6,216</b>	<b>-1,149</b>	<b>-1,787</b>
<b>Cash flows from financing activities</b>					
Purchase of own shares	0	-169	0	-266	-266
Dividend distribution	0	0	-3,068	-1,230	-1,230
Hybrid bond	0	0	-3,584	-384	-384
Proceeds from long-term liabilities	0	0	18,000	0	0
Payments of long-term liabilities	0	0	-17,500	-500	-1,000
Change in lease liabilities	-195	-456	2,692	-1,022	-1,103
Change in other interest-bearing liabilities	38	-12	1,014	2,149	2,185
<b>Net cash flow from financing activities</b>	<b>-157</b>	<b>-637</b>	<b>-2,446</b>	<b>-1,253</b>	<b>-1,798</b>
<b>Change in cash and cash equivalents</b>	<b>1,666</b>	<b>3,421</b>	<b>-9,637</b>	<b>12,125</b>	<b>14,225</b>
Cash and cash equivalents at period start	12,955	18,735	24,257	10,032	10,032
<b>Cash and cash equivalents at period end</b>	<b>14,620</b>	<b>22,157</b>	<b>14,620</b>	<b>22,157</b>	<b>24,257</b>

## Accounting principles

Consti Plc's interim financial report has been prepared for the accounting period of 1 January – 30 September 2021 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 2020. The information presented in the interim financial report are not audited. All figures in these accounts have been rounded. Consequently, the sum of individual figures can deviate from the presented sum figure. The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the valuation of the reported assets and liabilities, and the recognition of income and expenses in the statement of income. Although the estimates are based on the management's best knowledge of current events and actions, actual results may differ from the values given in the interim financial report. ESMA (European Securities and Markets Authority) has published guidelines on Alternative Performance Measures (APMs). Consti presents Alternative Performance Measures (APMs) to reflect the underlying business performance and to enhance comparability between financial periods. APMs should not be considered as a substitute for measures of performance in accordance with the IFRS.

## Lease agreements

The impact of the leases on Consti's 1 Jan - 30 September 2021 profit or loss and balance sheet is presented in table below:

CLASSIFICATION OF AMOUNTS RECOGNISED IN BALANCE SHEET AND PROFIT OR LOSS ACCORDING TO IFRS 16 (EUR 1,000)	Right-of-use assets				Lease liabilities
	Buildings and structures	Machinery and equipment	Other intangible assets	Total	
<b>1 Jan 2021</b>	<b>1,197</b>	<b>1,068</b>	<b>140</b>	<b>2,406</b>	<b>2,454</b>
Additions	3,794	341	-	4,135	4,133
Depreciations	-1,153	-439	-78	-1,669	-
Interest expense	-	-	-	-	33
Payments	-	-	-	-	-1,473
<b>30 September 2021</b>	<b>3,838</b>	<b>971</b>	<b>63</b>	<b>4,872</b>	<b>5,147</b>

The majority of investments into right-of-use assets during the reporting period 1-9/2021 were related to new headquarters in Helsinki.

## Items affecting comparability

7-9/2021 (EUR 1,000)	IFRS	IAC	Income statement before IAC
<b>Net sales</b>	<b>75,984</b>		<b>75,984</b>
Other operating income	89		89
Materials and services	-54,588		-54,588
Employee benefit expenses	-14,402		-14,402
Other operating expenses	-3,050		-3,050
<b>EBITDA</b>	<b>4,033</b>		<b>4,033</b>
Depreciation	-910		-910
<b>Operating result (EBIT)</b>	<b>3,124</b>		<b>3,124</b>
Financial income and expenses	-333		-333
<b>Profit/loss before taxes (EBT)</b>	<b>2,791</b>		<b>2,791</b>
Taxes	-558		-558
<b>Profit/loss for the period</b>	<b>2,233</b>		<b>2,233</b>

Items affecting comparability in 1-9/2021 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. Items affecting comparability in 1-12/2020 relate to the legal costs of the construction project for Hotel St. George.

7-9/2020 (EUR 1,000)	IFRS	IAC	Income statement before IAC
<b>Net sales</b>	<b>68,202</b>		<b>68,202</b>
Other operating income	41		41
Materials and services	-48,292		-48,292
Employee benefit expenses	-13,583		-13,583
Other operating expenses	-3,119	-178	-2,942
<b>EBITDA</b>	<b>3,249</b>	<b>-178</b>	<b>3,427</b>
Depreciation	-795		-795
<b>Operating result (EBIT)</b>	<b>2,454</b>	<b>-178</b>	<b>2,631</b>
Financial income and expenses	-227		-227
<b>Profit/loss before taxes (EBT)</b>	<b>2,227</b>	<b>-178</b>	<b>2,405</b>
Taxes	-533	36	-569
<b>Profit/loss for the period</b>	<b>1,694</b>	<b>-142</b>	<b>1,836</b>

1-9/2021 (EUR 1,000)	IFRS	IAC	Income statement before IAC
<b>Net sales</b>	<b>206,168</b>	<b>-3,077</b>	<b>209,246</b>
Other operating income	259		259
Materials and services	-148,703	-182	-148,521
Employee benefit expenses	-42,511		-42,511
Other operating expenses	-10,025	-570	-9,455
<b>EBITDA</b>	<b>5,188</b>	<b>-3,829</b>	<b>9,017</b>
Depreciation	-2,493		-2,493
<b>Operating result (EBIT)</b>	<b>2,694</b>	<b>-3,829</b>	<b>6,524</b>
Financial income and expenses	-911	-114	-797
<b>Profit/loss before taxes (EBT)</b>	<b>1,784</b>	<b>-3,943</b>	<b>5,727</b>
Taxes	-357	789	-1,146
<b>Profit/loss for the period</b>	<b>1,427</b>	<b>-3,155</b>	<b>4,581</b>

1-9/2020 (EUR 1,000)	IFRS	IAC	Income statement before IAC
<b>Net sales</b>	<b>196,548</b>		<b>196,548</b>
Other operating income	389		389
Materials and services	-137,676		-137,676
Employee benefit expenses	-42,482		-42,482
Other operating expenses	-9,068	-672	-8,396
<b>EBITDA</b>	<b>7,711</b>	<b>-672</b>	<b>8,383</b>
Depreciation	-2,427		-2,427
<b>Operating result (EBIT)</b>	<b>5,283</b>	<b>-672</b>	<b>5,955</b>
Financial income and expenses	-773		-773
<b>Profit/loss before taxes (EBT)</b>	<b>4,510</b>	<b>-672</b>	<b>5,182</b>
Taxes	-977	134	-1,111
<b>Profit/loss for the period</b>	<b>3,533</b>	<b>-537</b>	<b>4,071</b>

1-12/2020 (EUR 1,000)	IFRS	IAC	Income statement before IAC
<b>Net sales</b>	<b>274,646</b>		<b>274,646</b>
Other operating income	511		511
Materials and services	-191,711		-191,711
Employee benefit expenses	-58,108		-58,108
Other operating expenses	-13,899	-1,241	-12,658
<b>EBITDA</b>	<b>11,440</b>	<b>-1,241</b>	<b>12,680</b>
Depreciation	-3,203		-3,203
<b>Operating result (EBIT)</b>	<b>8,237</b>	<b>-1,241</b>	<b>9,478</b>
Financial income and expenses	-1,002		-1,002
<b>Profit/loss before taxes (EBT)</b>	<b>7,235</b>	<b>-1,241</b>	<b>8,476</b>
Taxes	-1,560	248	-1,808
<b>Profit/loss for the period</b>	<b>5,675</b>	<b>-992</b>	<b>6,668</b>

## Business areas

NET SALES BY BUSINESS AREA (EUR 1,000)	7-9 / 2021	7-9 / 2020	Change %	1-9 / 2021	1-9 / 2020	Change %	1-12 / 2020
Housing Companies	27,611	23,773	16.1 %	62,708	65,015	-3.5 %	86,145
Corporations	25,570	21,529	18.8 %	73,379	63,946	14.8 %	90,589
Public Sector	9,593	9,790	-2.0 %	25,546	29,438	-13.2 %	41,431
Building Technology	16,347	15,922	2.7 %	53,395	47,851	11.6 %	69,350
Parent company and eliminations	-3,137	-2,812	-11.6 %	-8,860	-9,702	8.7 %	-12,868
<b>Total net sales</b>	<b>75,984</b>	<b>68,202</b>	<b>11.4 %</b>	<b>206,168</b>	<b>196,548</b>	<b>4.9 %</b>	<b>274,646</b>

NET SALES CLASSIFICATION ACCORDING TO IFRS 15 (EUR 1,000)	7-9 / 2021	7-9 / 2020	Change %	1-9 / 2021	1-9 / 2020	Change %	1-12 / 2020
<b>Project deliveries</b>							
Housing Companies	26,975	23,238	16.1 %	60,987	63,542	-4.0 %	83,806
Corporations	24,377	17,983	35.6 %	67,215	54,835	22.6 %	77,852
Public Sector	9,593	9,790	-2.0 %	25,544	29,438	-13.2 %	41,431
Building Technology	15,240	14,001	8.8 %	48,618	42,137	15.4 %	60,703
Parent company and eliminations	-3,137	-2,811	-11.6 %	-8,860	-9,702	8.7 %	-12,868
<b>Total project deliveries</b>	<b>73,048</b>	<b>62,201</b>	<b>17.4 %</b>	<b>193,505</b>	<b>180,250</b>	<b>7.4 %</b>	<b>250,923</b>
<b>Other cost + fee projects and service contracts</b>							
Housing Companies	636	534	19.0 %	1,721	1,473	16.8 %	2,339
Corporations	1,193	3,547	-66.4 %	6,164	9,111	-32.3 %	12,737
Public Sector	0	0		2	0		0
Building Technology	1,106	1,920	-42.4 %	4,776	5,714	-16.4 %	8,647
Parent company and eliminations	0	0		0	0		0
<b>Total other cost + fee projects and service contracts</b>	<b>2,935</b>	<b>6,001</b>	<b>-51.1 %</b>	<b>12,663</b>	<b>16,298</b>	<b>-22.3 %</b>	<b>23,723</b>
<b>Total net sales</b>	<b>75,984</b>	<b>68,202</b>	<b>11.4 %</b>	<b>206,168</b>	<b>196,548</b>	<b>4.9 %</b>	<b>274,646</b>

ACCOUNTS RECEIVABLE AND CONTRACT ASSETS AND LIABILITIES (EUR 1,000)	30 Sep 2021	30 Sep 2020	Change %	31 Dec 2020
Trade receivables	23,803	39,551	-39.8 %	39,192
Receivables from project deliveries and cost + fee accruals	13,292	7,935	67.5 %	7,694
Advances received from project deliveries and cost + fee accruals	11,136	31,123	-64.2 %	25,980

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

## Group liabilities

GROUP LIABILITIES (EUR 1,000)	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>Other liabilities</b>			
Leasing and rental liabilities	63	3,672	3,663

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

## Business combinations

Consti made the following acquisitions during the January-September 2021 period:

ACQUIRED BUSINESS	Country	Type	Month of acquisition	Acquired share	No. of employees	Estimated annual net sales (€m)
RA-Urakointi Oy	Finland	Share deal	August	100 %	30	8.4

### Acquired assets and liabilities

Fair values of the identified assets and liabilities of the businesses acquired in 2021, after their combination:

	Fair value, EUR 1,000
<b>Assets</b>	
Property, plant and equipment	567
Intangible assets	178
Cash and cash equivalents	1,732
Inventories	183
Trade and other receivables	1,105
Shares and other non-current financial assets	40
<b>Total assets</b>	<b>3,806</b>
<b>Liabilities</b>	
Trade and other payables	1,070
Interest-bearing liabilities	54
Deferred tax liabilities	130
<b>Total liabilities</b>	<b>1,254</b>
<b>Fair value of identified net assets, total</b>	<b>2,552</b>
Goodwill arising from acquisitions	878
<b>Amount of consideration transferred</b>	<b>3,429</b>

The goodwill recognised on the acquisition is attributable to the special expertise transferred with the company.

The transaction costs arising from the acquisition, totalling EUR 104 thousand have been recognised as expenses and are included under administrative expenses.



**Key figures**

KEY FIGURES	1-9 / 2021	1-9 / 2020	1-12 / 2020
<b>INCOME STATEMENT (EUR 1,000)</b>			
Net sales	206,168	196,548	274,646
EBITDA	5,188	7,711	11,440
EBITDA margin, %	2.5 %	3.9 %	4.2 %
Adjusted operating result (EBIT)	6,524	5,955	9,478
Adjusted operating result (EBIT) margin, %	3.2 %	3.0 %	3.5 %
Operating result (EBIT)	2,694	5,283	8,237
Operating result margin, %	1.3 %	2.7 %	3.0 %
Profit/loss before taxes (EBT)	1,784	4,510	7,235
as % of sales	0.9 %	2.3 %	2.6 %
Profit/loss for the period	1,427	3,533	5,675
as % of sales	0.7 %	1.8 %	2.1 %
<b>OTHER KEY FIGURES (EUR 1,000)</b>			
Balance sheet total	113,512	127,038	128,595
Net interest-bearing debt	18,635	7,383	4,737
Equity ratio, %	29.1 %	32.6 %	32.7 %
Gearing, %	62.6 %	23.6 %	14.1 %
Return on investment, ROI %	9.3 %	14.1 %	13.6 %
Free cash flow	-678	14,692	18,334
Cash conversion, %	n/a	190.5 %	160.3 %
Order backlog	217,895	189,402	177,857
Order intake	208,255	159,959	214,281
Average number of personnel	970	982	971
Number of personnel at period end	998	959	927
<b>SHARE RELATED KEY FIGURES</b>			
Earnings per share, undiluted (EUR)	0.18	0.43	0.70
Earnings per share, diluted (EUR)	0.17	0.43	0.69
Shareholders' equity per share (EUR)	3.85	3.67	3.97
Number of shares, end of period	7,858,267	7,858,267	7,858,267
Number of outstanding shares, end of period	7,719,406	7,652,123	7,652,123
Average number of outstanding shares	7,671,049	7,673,559	7,668,170

## 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 (%) =	$\frac{\text{Equity}}{\text{Total assets - advances received}} \times 100$
Gearing (%) =	$\frac{\text{Interest-bearing liabilities - cash and cash equivalents}}{\text{Equity}} \times 100$
Return on investment, ROI (%) =	$\frac{\text{Profit/loss before taxes + interest and other financial expenses (r12m)}}{\text{Total equity + interest-bearing liabilities (average)}} \times 100$
Average number of personnel =	The average number of personnel at the end of each calendar month during the period
Number of personnel at period end =	Number of personnel at the end of period
Free cash flow =	Net cash flow from operating activities before financial and tax items - investments in intangible and tangible assets
Cash conversion (%) =	$\frac{\text{Free cash flow}}{\text{EBITDA}} \times 100$
Earnings per share =	$\frac{\text{Profit/loss attributable to equity holders of the parent company - hybrid bond's transaction costs and accrued interests after tax}}{\text{Weighted average number of shares outstanding during the period}} \times 100$
Shareholders' equity per share (EUR) =	$\frac{\text{Equity attributable to owners of the parent company}}{\text{Number of outstanding shares, end of period}}$
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)	Q3/21	Q2/21	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20	Q4/19	Q3/19
Net sales	75,984	70,902	59,283	78,098	68,202	69,306	59,039	78,259	81,837
Other operating income	89	78	91	122	41	232	116	355	200
Materials and services	-54,588	-51,748	-42,367	-54,035	-48,292	-48,561	-40,823	-53,478	-60,125
Employee benefit expenses	-14,402	-14,919	-13,191	-15,626	-13,583	-14,854	-14,045	-16,703	-14,776
Other operating expenses	-3,050	-4,037	-2,938	-4,831	-3,119	-2,942	-3,007	-4,790	-4,157
EBITDA	4,033	276	878	3,729	3,249	3,181	1,281	3,643	2,979
EBITDA margin, %	5.3 %	0.4 %	1.5 %	4.8 %	4.8 %	4.6 %	2.2 %	4.7 %	3.6 %
Depreciation	-910	-807	-777	-775	-795	-813	-819	-821	-890
Adjusted operating result (EBIT)	3,124	2,918	482	3,522	2,631	2,721	603	3,212	2,197
Adjusted operating result (EBIT) margin, %	4.1 %	4.1 %	0.8 %	4.5 %	3.9 %	3.9 %	1.0 %	4.1 %	2.7 %
Operating result (EBIT)	3,124	-531	101	2,954	2,454	2,368	462	2,822	2,089
Operating result, %	4.1 %	-0.7 %	0.2 %	3.8 %	3.6 %	3.4 %	0.8 %	3.6 %	2.6 %
Financial income	2	114	2	2	1	1	1	8	2
Financial expenses	-335	-485	-209	-230	-227	-240	-308	-316	-327
Total financial income and expenses	-333	-371	-207	-228	-227	-239	-308	-308	-325
Profit/loss before taxes (EBT)	2,791	-901	-106	2,725	2,227	2,129	154	2,514	1,764
Total taxes	-558	180	21	-583	-533	-418	-26	-558	-352
Profit/loss for the period	2,233	-721	-85	2,142	1,694	1,711	128	1,956	1,412
Balance sheet total	113,512	113,693	115,868	128,595	127,038	122,930	121,628	116,585	118,023
Net interest-bearing debt	18,635	20,404	11,714	4,737	7,383	11,272	17,760	18,880	22,727
Equity ratio, %	29.1 %	26.9 %	32.1 %	32.7 %	32.6 %	31.0 %	29.9 %	29.8 %	28.2 %
Gearing, %	62.6 %	76.3 %	38.6 %	14.1 %	23.6 %	37.9 %	60.8 %	64.4 %	83.3 %
Return on investment, ROI %	9.3 %	8.5 %	13.1 %	13.6 %	14.1 %	13.7 %	9.5 %	8.9 %	-0.7 %
Order backlog	217,895	236,191	196,489	177,857	189,402	211,838	202,220	185,820	206,406
Order intake	39,956	98,458	69,842	54,322	31,003	66,811	62,146	46,790	37,017
Average number of personnel	990	977	942	938	977	998	971	997	1,052
Number of personnel at period end	998	1,003	946	927	959	999	973	990	1,024
Earnings per share, undiluted (EUR)	0.29	-0.09	-0.02	0.27	0.21	0.21	0.01	0.25	0.17
Number of outstanding shares, end of period	7,719,406	7,670,114	7,670,114	7,652,123	7,652,123	7,671,123	7,685,123	7,676,942	7,685,042
Average number of outstanding shares	7,686,187	7,670,114	7,656,521	7,652,123	7,657,699	7,683,872	7,679,279	7,681,422	7,685,042

## Largest shareholders

10 LARGEST SHAREHOLDERS 30 September 2021		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	456,162	5.80 %
5	Korkeela Esa	434,637	5.53 %
6	Kivi Risto	380,267	4.84 %
7	Kalevo Markku	299,128	3.81 %
8	Korkeela Antti	176,705	2.25 %
9	Varma Mutual Pension Insurance Company	172,000	2.19 %
10	Evli Finnish Small Cap Fund	151,289	1.93 %
<b>Ten largest owners, total</b>		<b>4,360,188</b>	<b>55.49 %</b>
Nominee registered		1,192,479	15.17 %
Others		2,305,600	29.34 %
<b>Total</b>		<b>7,858,267</b>	<b>100.00 %</b>

In Helsinki, 26 October 2021

Consti Plc's Board of Directors

## Press conference

Microsoft Teams meeting for analysts, portfolio managers and media representatives, will take place 27 October 2021, at 10:00 a.m. (EET). The meeting will be hosted by CEO Esa Korkeela and CFO Joni Sorsanen.

## Financial reporting in 2022

Consti Plc's Financial Statements Bulletin 2021 will be published 4 February 2022.

The electronic version of the annual report, which includes the full financial statements for 2021, will be published in week 11/2022.

Consti Plc's Annual General Meeting for 2022 is scheduled to take place on Tuesday, 5 April 2022 in Helsinki.

Consti Plc shall publish three interim reports during 2022:

- Interim report 1-3/2022 will be published 29 April 2022
- Half-year financial report 1-6/2022 will be published 22 July 2022
- Interim report 1-9/2022 will be published 27 October 2022

## 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](http://www.consti.fi)

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