CONSTI PLC

INTERIM REPORT

1 JANUARY – 30 SEPTEMBER 2022

CEO Esa Korkeela
CFO Joni Sorsanen

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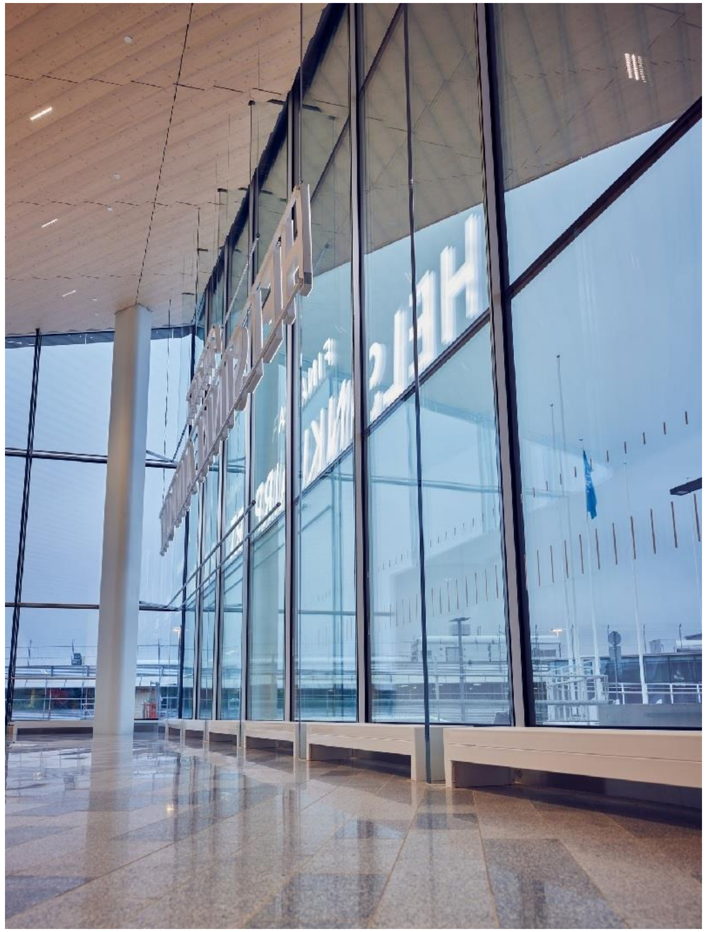

Highlights of 1-9/2022 and Q3/2022

Solid performance continued and net sales grew

NET SALES:
EUR 212.0m
1-9/2022
EUR +3.0m
EUR +5.8m
Q3/2022
EUR 79.0m

ADJUSTED EBIT:
EUR 6.6m
1-9/2022
EUR +0.2m
EUR +0.1m
Q3/2022
EUR 3.3m

FREE CASH FLOW:
EUR 7.6m
1-9/2022
EUR +2.2m
EUR +8.3m
Q3/2022
EUR 5.8m

EUR -5.8m
NET DEBT:
EUR 12.8m

EUR -7.4m
ORD. BACKLOG:
EUR 210.5m

No. -10
PERSONNEL:
988

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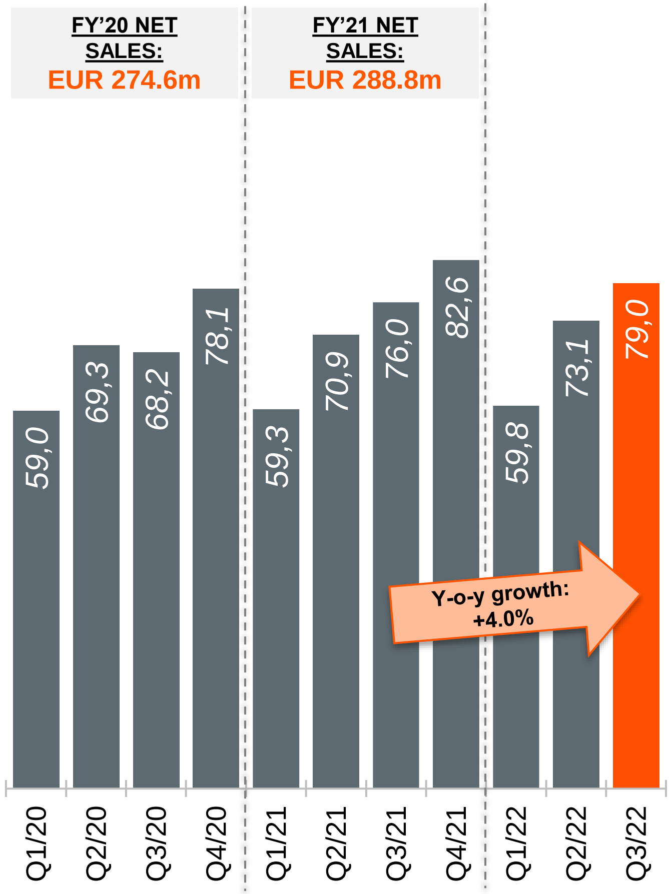
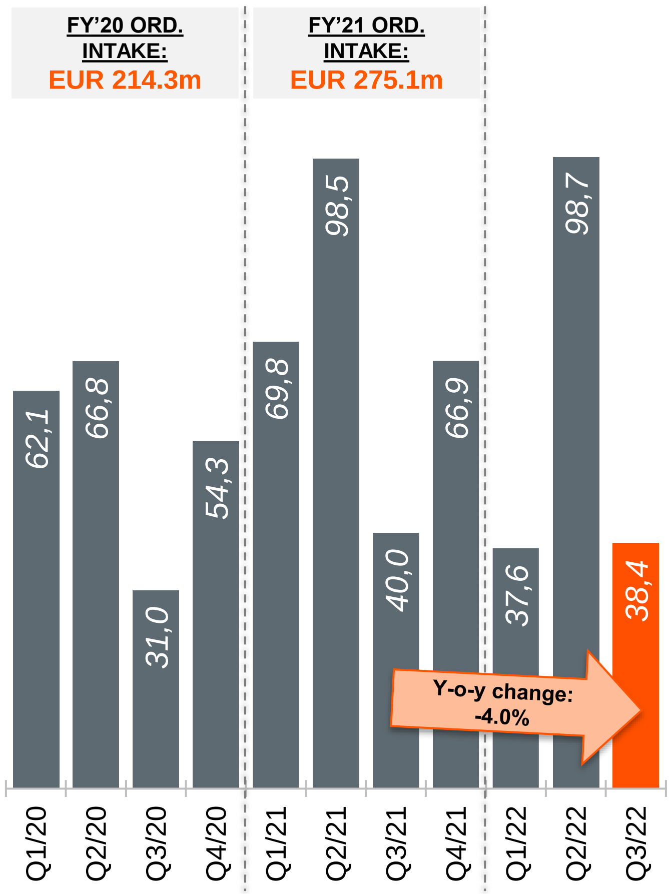
Quarterly performance overview

Net sales grew +4.0% year-on-year, while order intake decreased -4.0% and order backlog -3.4%

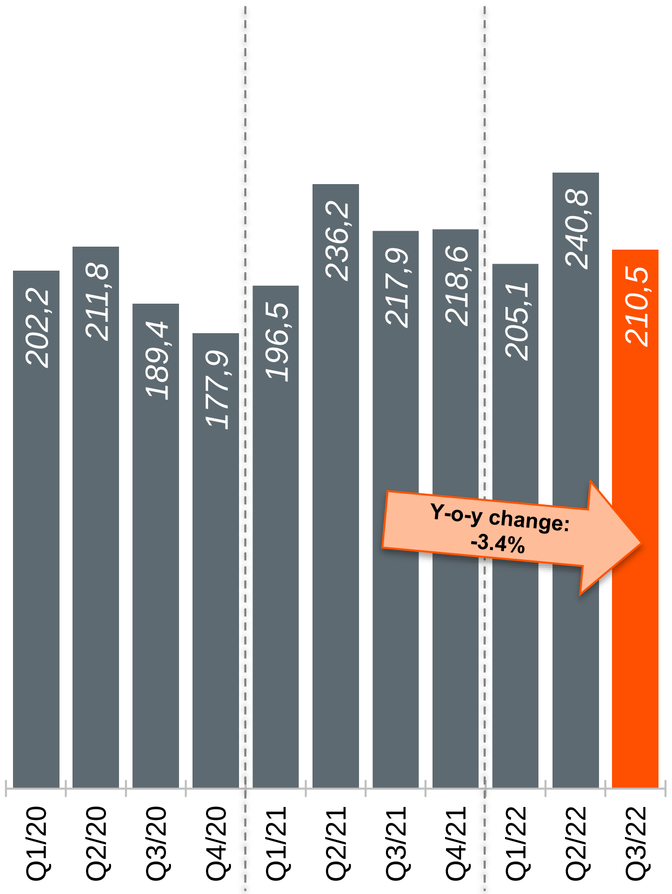
QUARTERLY NET SALES (EUR m)



QUARTERLY ORDER INTAKE (EUR m)



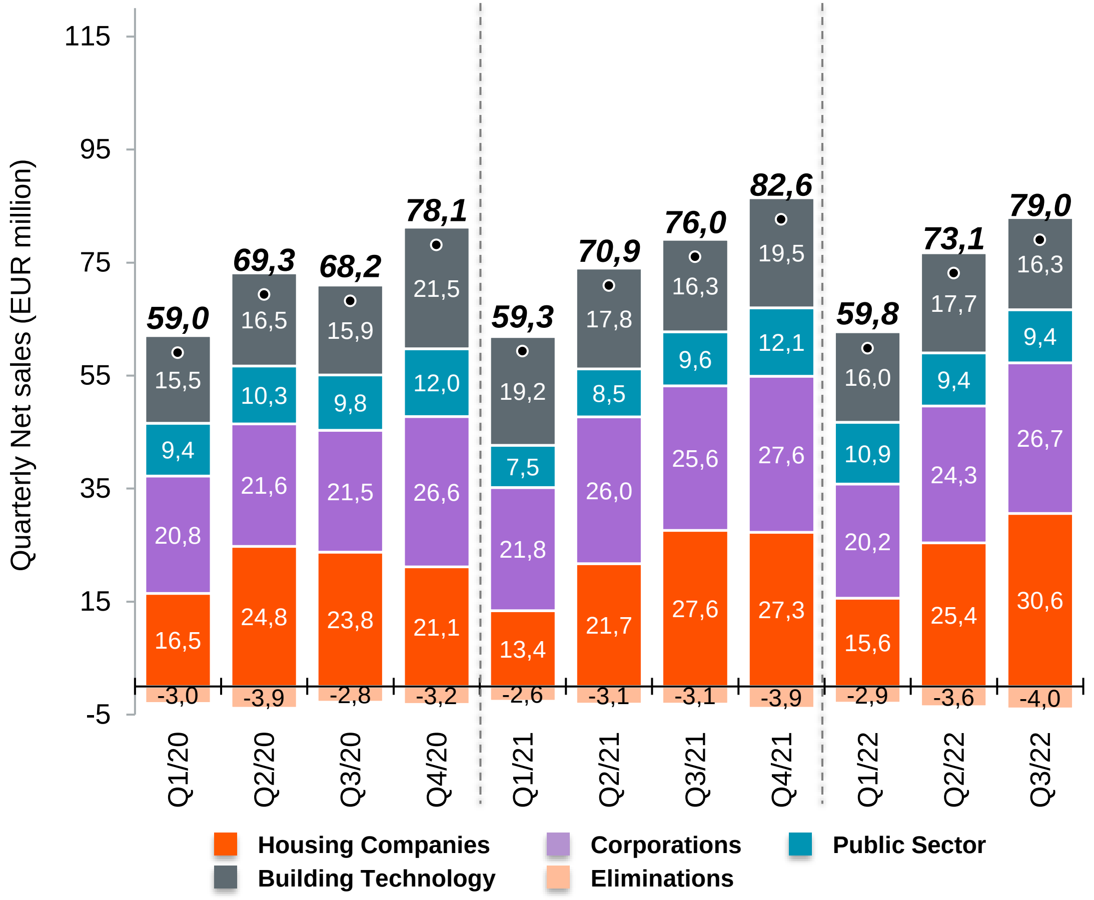
QUARTERLY ORDER BACKLOG (EUR m)



Quarterly net sales development

Q3 net sales amounted to EUR 79.0m, growing 4.0% year-on-year

Quarterly net sales development Q1/2020 – Q3/2022 (EUR m)



Comments

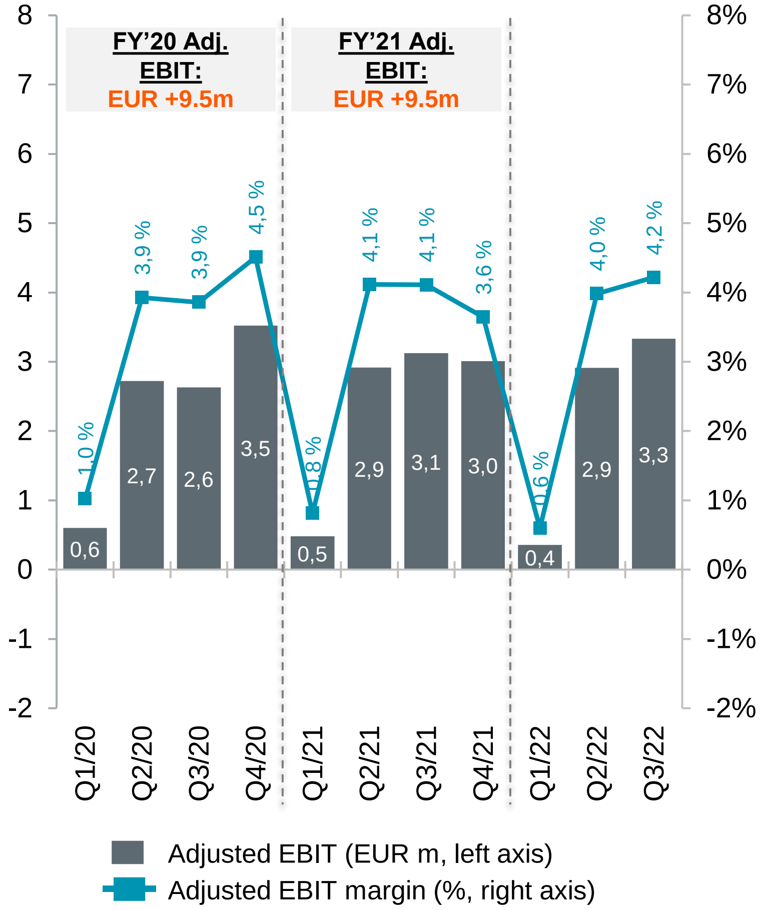
- Q3/2022 net sales EUR 79.0m (76.0m)
  - Year-on-year growth 4.0%
  - Housing Companies net sales EUR 30.6m (27.6m) ➔ net sales grew by 10.9 percent and growth was particularly strong in the Greater Helsinki area
  - Corporations net sales EUR 26.7m (25.6m) ➔ net sales grew in Greater Helsinki but decreased in other areas
  - Public Sector net sales EUR 9.4m (9.6m)
  - Building Technology net sales EUR 16.3m (16.3m) ➔ net sales grew in Greater Helsinki but decreased in other areas
- 1-9/2022 net sales EUR 212.0m (206.2m), growth of 2.8%

Quarterly Adjusted EBIT and EBIT development

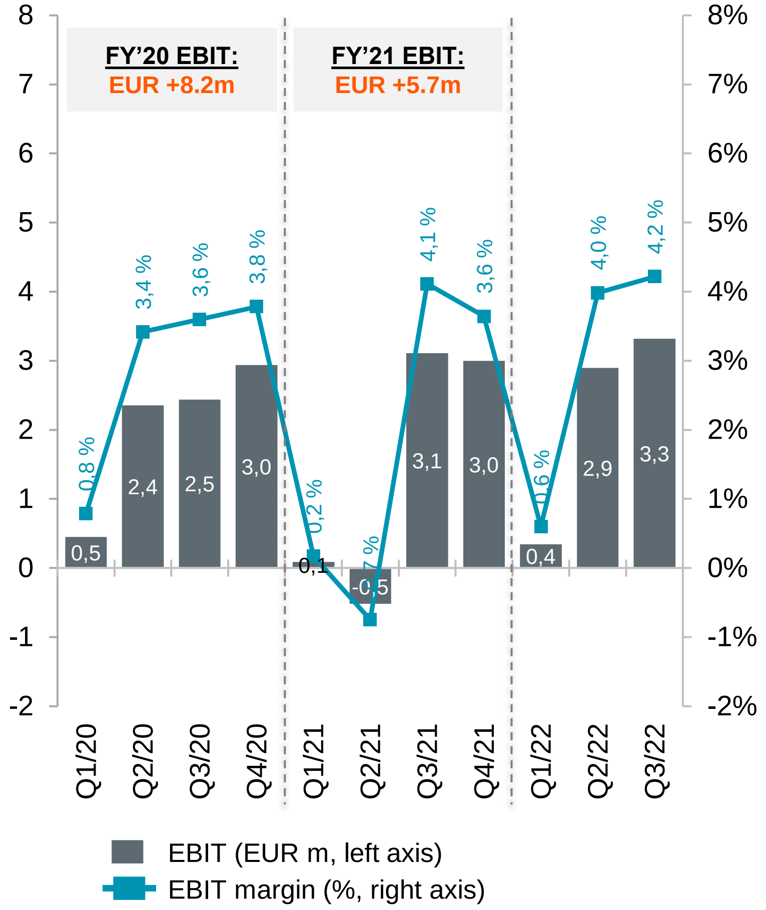
Q3 profitability in line with expectations

***Adjusted EBIT** = EBIT before items affecting comparability (IAC)
- IAC during the reporting period and comparison periods = Financial impact of arbitral award received in June 2021 as well as legal cost related to the arbitration proceedings

Quarterly Adjusted EBIT* development Q1/2020 – Q3/2022 (EUR m)



Quarterly EBIT development Q1/2020 – Q3/2022 (EUR m)



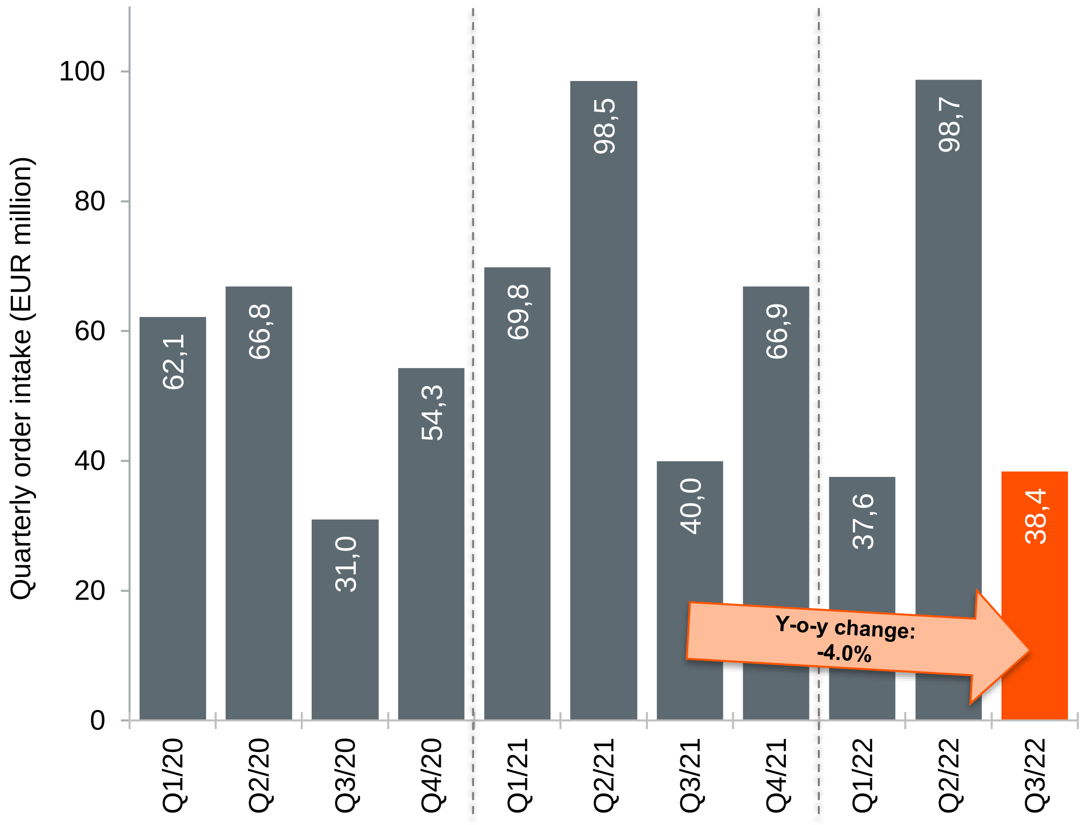
Comments

- Q3/2022 Adjusted EBIT was EUR 3.3 (3.1) million, or 4.2% (4.1%) of net sales
  - Q3 proceeded in line with expectations
  - Profitability remained stable, although cost inflation weakened the result through both increased construction costs and higher indirect costs
- Q3/2022 EBIT amounted to EUR 3.3 (3.1) million, or 4.2% (4.1%) of net sales
- 1-9/2022 Adjusted EBIT was EUR 6.6 (6.5) million, or 3.1% (3.2%) of net sales
- 1-9/2022 EBIT amounted to EUR 6.6 (2.7) million, or 3.1% (1.3%) of net sales
  - Comparison period impacted by one-off items related to St. George arbitral award and associated legal costs

Quarterly order intake development

Q3/2022 order intake amounted to EUR 38.4 million

Quarterly order intake development Q1/2020 – Q3/2022 (EUR m)



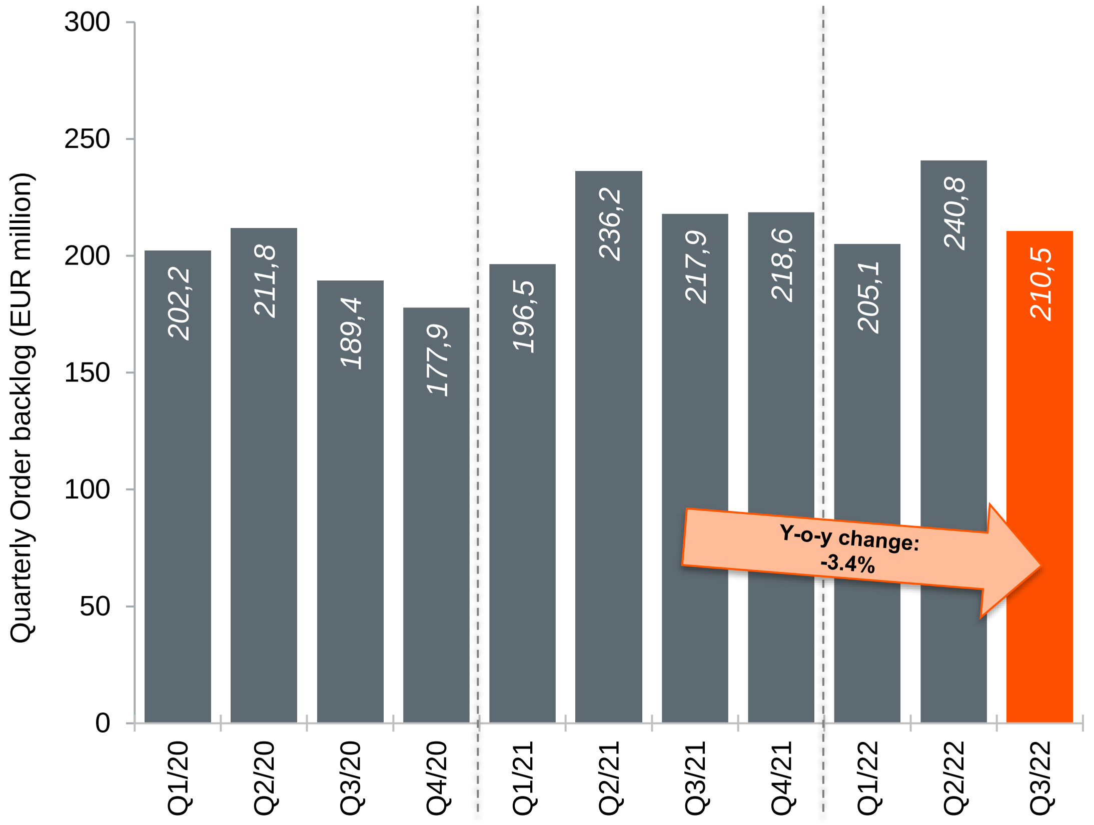
Comments

- Q3/2022 order intake EUR 38.4m (40.0m)
  - Year-on-year change -4.0%
  - Examples of new orders received in Q3:
    - Omaeläinklinikka / Mevet, modification of a non-residential space into veterinary clinic in Helsinki
    - Helsinki Airport Terminal 2 expansion, installation of building technology systems (phase 2)
    - Cecilia assisted living facility, renovation of building technology systems in Helsinki
    - As Oy Esikoisentie 8, facade and interior repairs & sewer and rainwater drainage repairs in Helsinki
    - As Oy Vantaan Maauunintie 27, plumbing renovation in Vantaa
- January-September 2022 order intake EUR 174.6m (208.3m), change -16.1%

Quarterly order backlog development

Q3/2022 order backlog at EUR 210.5 million

Quarterly order backlog development Q1/2020 – Q3/2022 (EUR m)



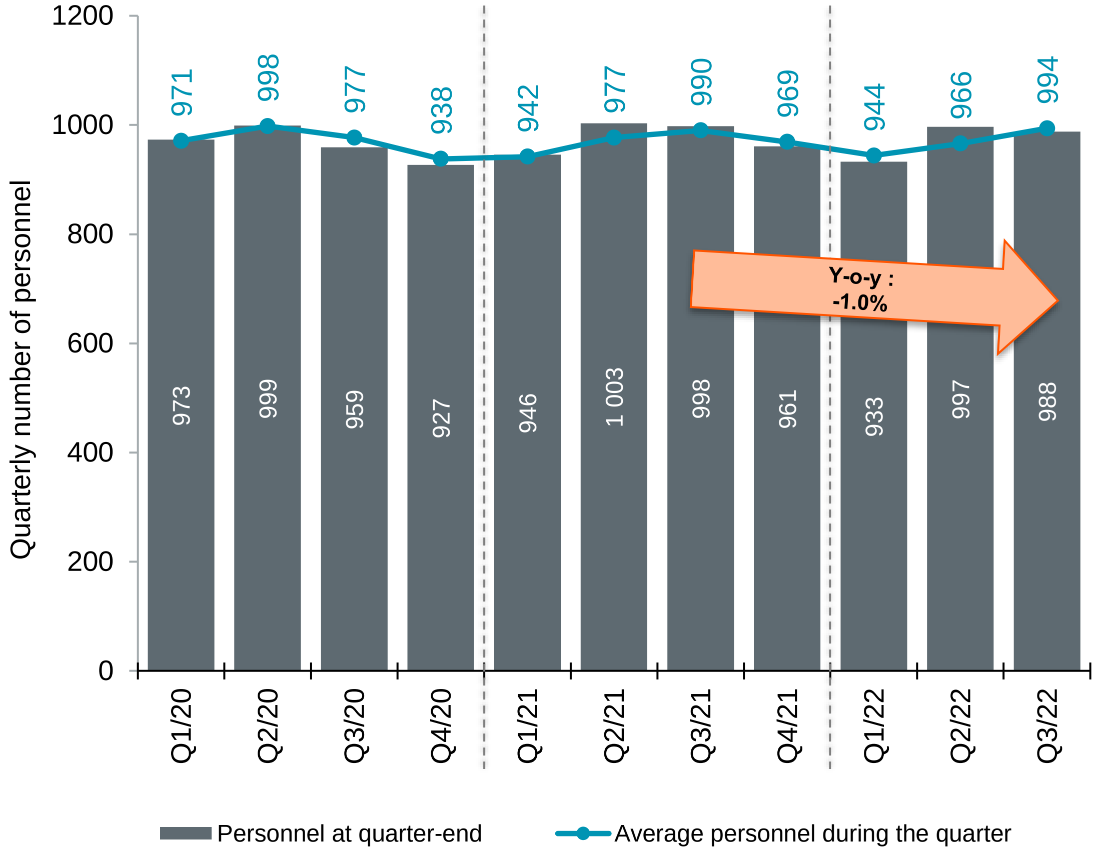
Comments

- Q3/2022 order backlog at EUR 210.5m (217.9m)
  - Year-on-year change -3.4%
  - Order backlog down by -3.7% compared to the end of the previous financial year
  - Larger share of September 2022 order backlog to be recognised within the on-going financial year compared to September 2021 backlog (both in absolute and relative terms)
  - During Q3, Consti's Building Technology business area was selected as an alliance partner for the development phases of both Laakso Joint Hospital and Jorvi Hospital's new ward building
    - After the development phases, the alliances will make separate decisions on the launch of the implementation phases
    - The value of Consti's building technology services in the implementation phase of the projects would total approximately 75 million euro
    - *These projects are not yet included in Consti's order backlog*

Quarterly development in number of personnel

Total number of personnel 988 at the end of Q3/2022, somewhat below last year's level

Quarterly development in number of personnel Q1/2020 – Q3/2022



Comments

- Number of personnel at the end of Q3/2022 988 (998), reduction of 10
- Average number of personnel during Q3/2022 994 (990), increase of 4
- Average number of personnel during 1-9/2022 968 (970), reduction of 2

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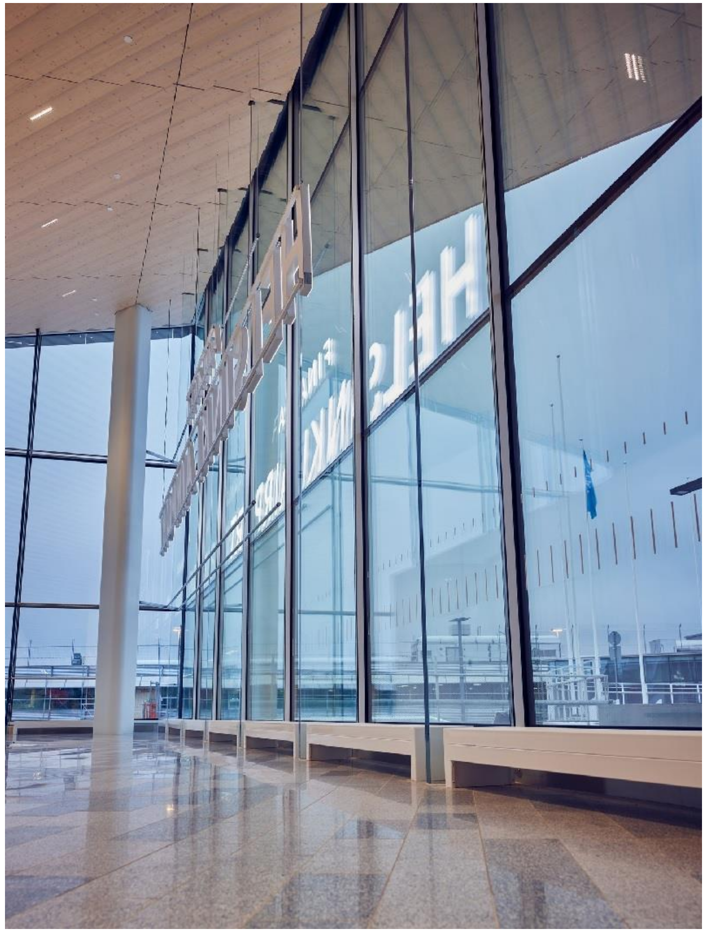
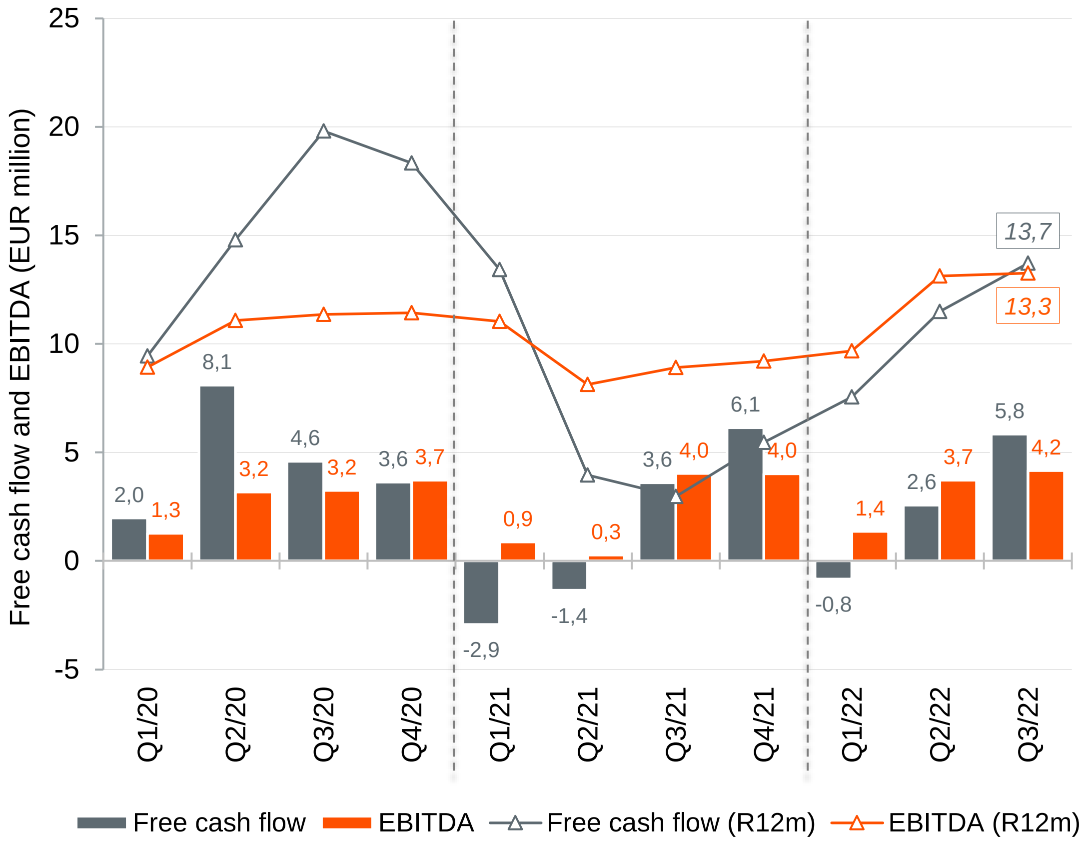


Quarterly free cash flow development

Q3/2022 free cash flow improved clearly year-on-year and was EUR 5.8 million

Quarterly free cash flow[1)] and EBITDA Q1/2020 – Q3/2022 (EUR m)



1) Free cash flow means net cash flow from operating activities before financial items and taxes, less capital used for purchase of intangible assets and property, plant and equipment

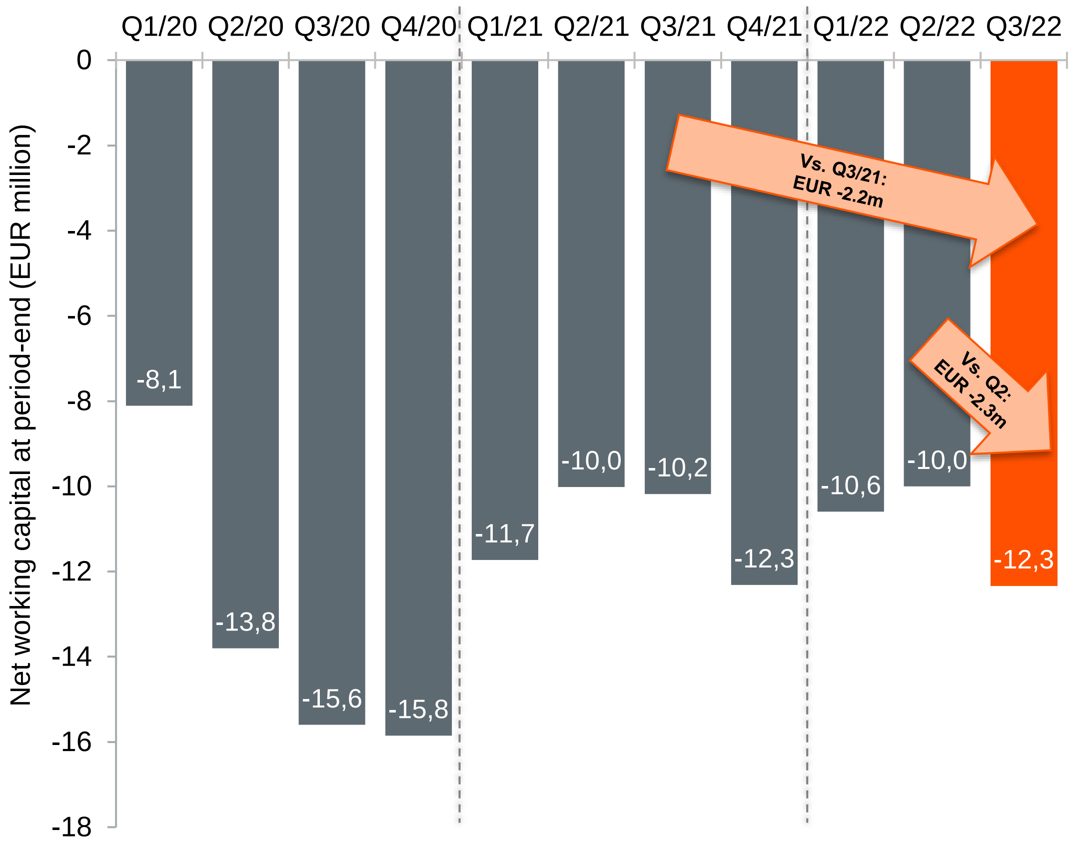
Comments

- Q3/2022 free cash flow EUR 5.8m (3.6m)
  - EBITDA amounted to EUR 4.2m (4.0m)
  - Cash flow impact from change in NWC EUR 1.9m (-0.1m)
  - Cash flow from investments in tangible and intangible assets amounted to EUR -0.5m (-0.4m)
- 1-9/2022 free cash flow EUR 7.6m (-0.7m)
  - EBITDA amounted to EUR 9.3m (5.2m)
  - Cash flow impact from change in NWC EUR -0.5m (-5.1m)
  - Cash flow from investments in tangible and intangible assets amounted to EUR -1.1m (-1.2m)
- Rolling 12-month cash conversion ratio 103.4%, meeting the long-term financial target of >90%
- Consti's cash conversion ratio for the period Jan 2020 – Sep 2022 105%, also meeting the long-term financial target of >90%

Quarterly net working capital development

Net working capital at EUR -12.3 million at the end of Q3/2022

Quarterly net working capital[1)] Q1/2020 – Q3/2022 (EUR m)



Comments

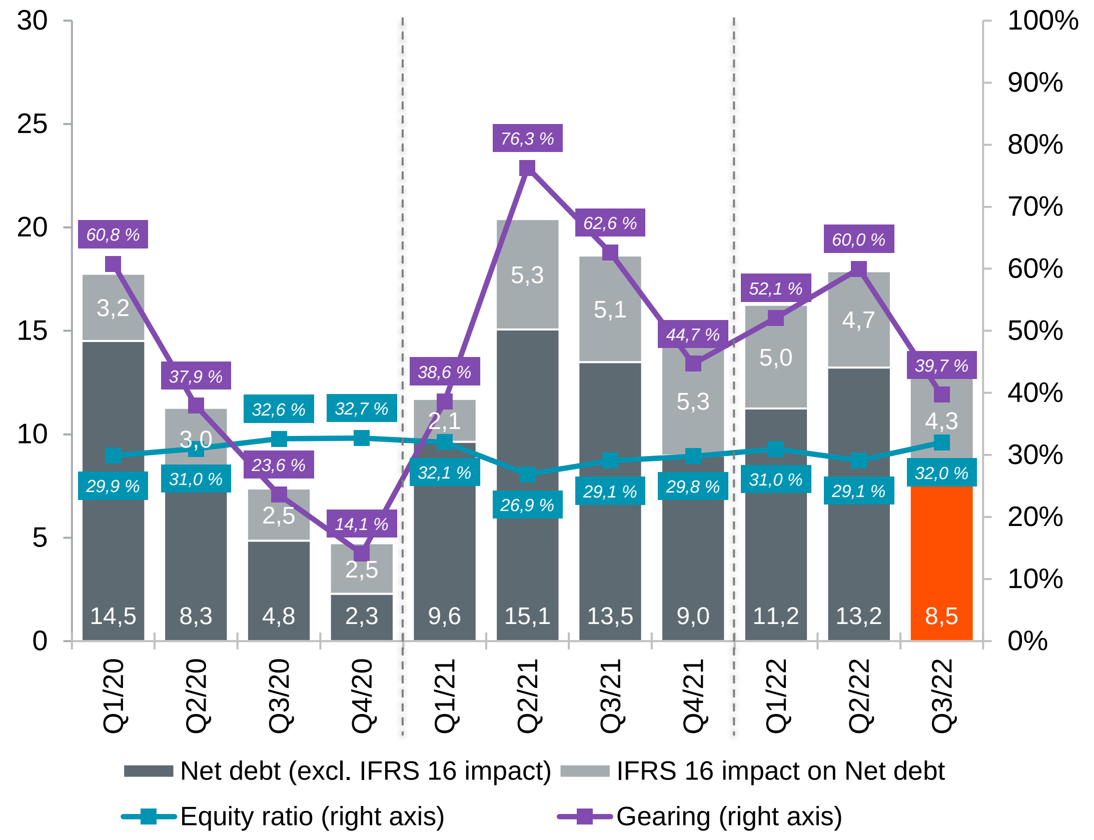
- Net working capital EUR -12.3m (-10.2m) at the end of Q3/2022
  - NWC released during Q3/2022 amounted to EUR 2.3m
  - NWC EUR 2.2m lower compared to Q3/2021
  - NWC at the same level as at year-end 2021

1) Net working capital calculated as follows: Inventories + Trade and other receivables + Deferred tax receivables – Trade and other payables – Advances received – Provisions

Quarterly balance sheet structure

Q3 financial position strengthened year-on-year as well as compared to previous quarter

Quarterly net debt, equity ratio and gearing Q1/2020 – Q3/2022



Comments

- Q3/2022 financial position strengthened during the third quarter
  - Improvement in profitability and cash flow
- Q3/2022 net debt at EUR 12.8m (18.6m), of which EUR 4.3m (5.1m) attributable to IFRS 16 related lease liabilities
  - Net debt excluding IFRS 16 at EUR 8.5m (13.5m)
- Q3/2022 equity ratio at 32.0% (29.1%)
  - Equity ratio excluding IFRS 16 at 33.6% (30.8%)
- Q3/2022 gearing at 39.7% (62.6%)
  - Gearing excluding IFRS 16 at 26.2% (44.9%)

1) Net working capital calculated as follows: Inventories + Trade and other receivables + Deferred tax receivables – Trade and other payables – Advances received – Provisions

Maturity distribution of interest-bearing debt (30 September 2022)

Gross interest-bearing debt decreased by EUR 3.5 million in Q3

Maturity profile of interest-bearing debt[1)] as per 30 September 2022 (EUR m)

Comments

- Consti's gross interest-bearing debt at EUR 22.7 million (excluding IFRS 16) at the end of Q3/2022, reduction of EUR 3.5m quarter-on-quarter
- Cash and cash equivalents amounted to EUR 14.2m at quarter-end
- In addition, Consti has undrawn revolving credit facilities and unused credit limits amounting to EUR 8.0m in total
- Majority of Consti's bank loans have maturity in 2025 (with extension option in 2026), i.e. no significant bank loan redemptions in the coming years
  - Loan agreement includes an extension option that allows to extend the maturity of the loan in two phases by a maximum of two years until 2026
  - Consti exercised the first extension option in May 2022, which extended the maturity of the loan by one year until 2025

1) Both calculated interest payments and repayments of the principal included in maturity profile values

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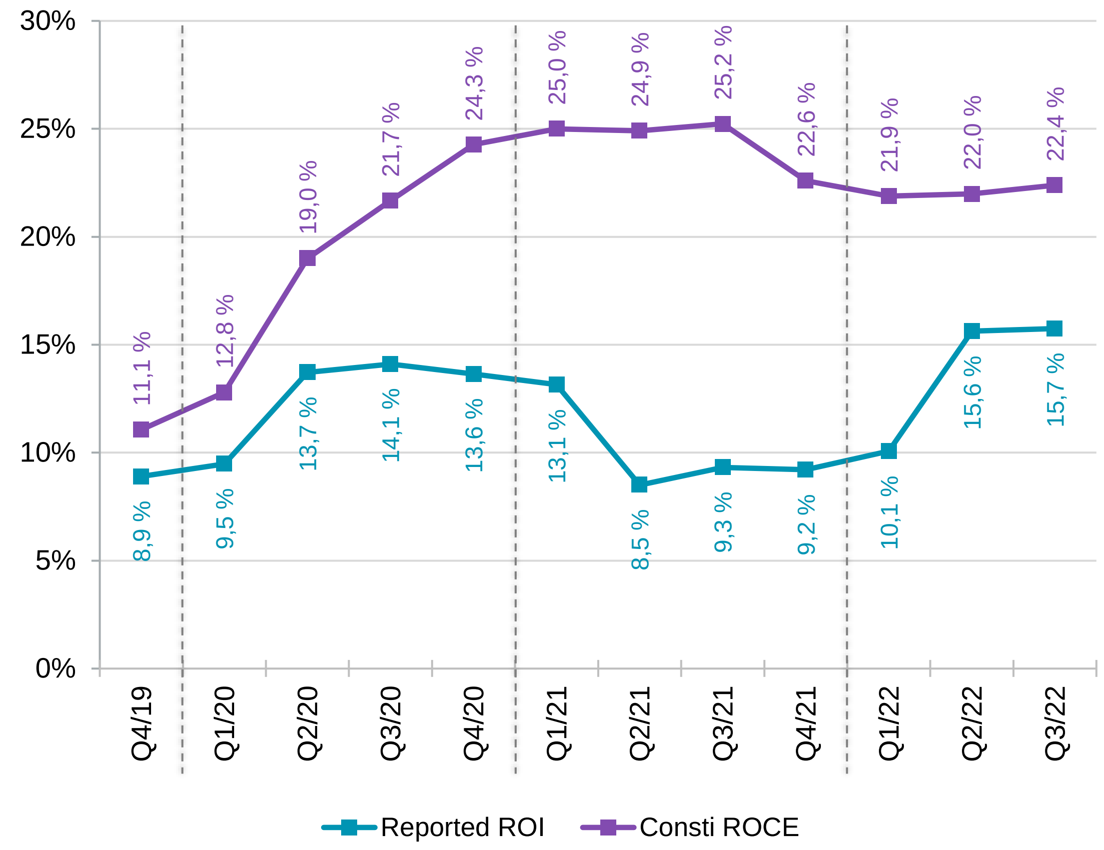
Reported ROI[1)] and Consti ROCE[2)]

Solid return on capital employed

Reported ROI[1)] and Consti ROCE[2)] Q4/2019 – Q3/2022 (%)



Comments

- During the past two years, Consti's return on capital employed has exceeded 20%
- Q3 2022 Consti ROCE totaled 22.4%
  - Q3 2022 R12m EBIT margin 3.3%
  - Q3 2022 R12m average capital efficiency 7.0x (excluding IFRS 16 related assets)
- Q3 2022 Reported ROI totaled 15.7%
- In Q4/19 – Q1/22, reported ROI impacted by items affecting comparability, i.e. the arbitral award and legal costs related to Hotel St. George project

1) Return on investment, ROI (%) = Profit/loss before taxes + interest and other financial expenses (R12m) / Total equity + interest-bearing liabilities (average)
2) Consti ROCE = Adjusted EBIT (R12m) / Capital employed (R12m average), where Capital employed = Tangible and intangible assets (excl. IFRS 16) + Net working capital

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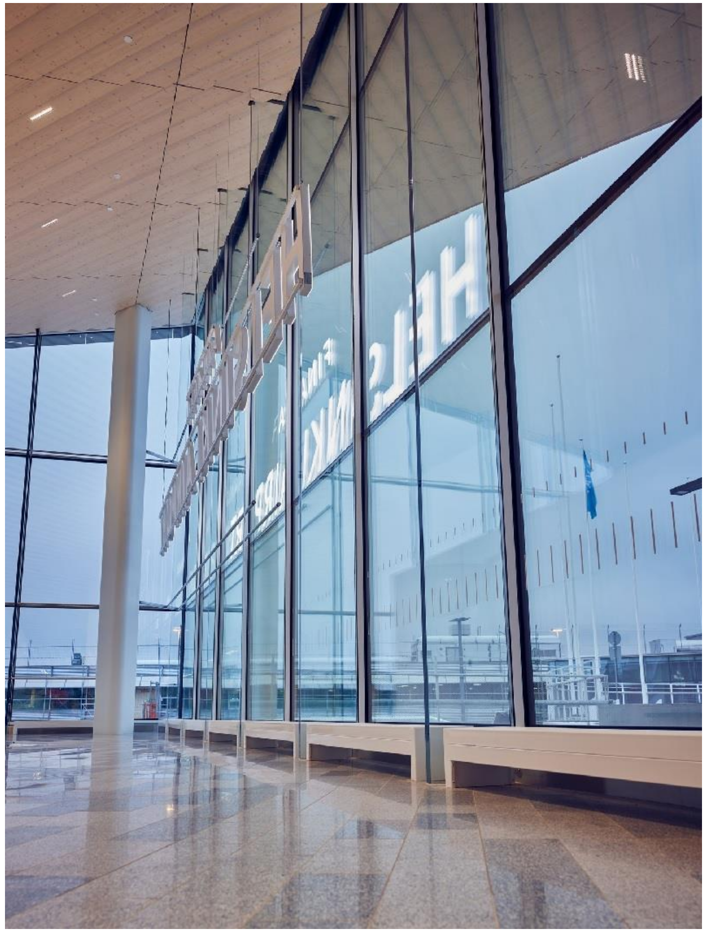
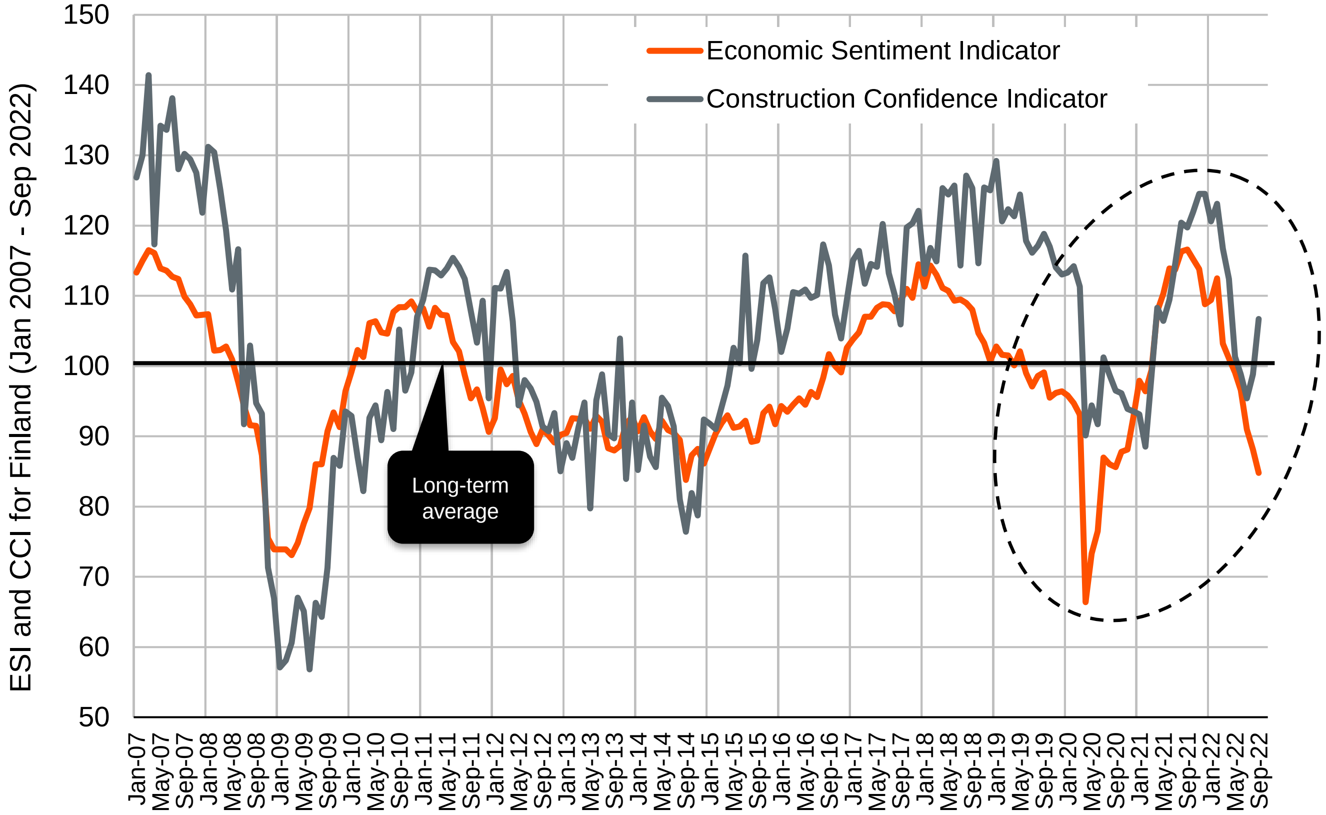


Economic sentiment and construction confidence in Finland developed in opposite directions in September 2022

Economic Sentiment and Construction Confidence / Finland (2007 – 9/2022)



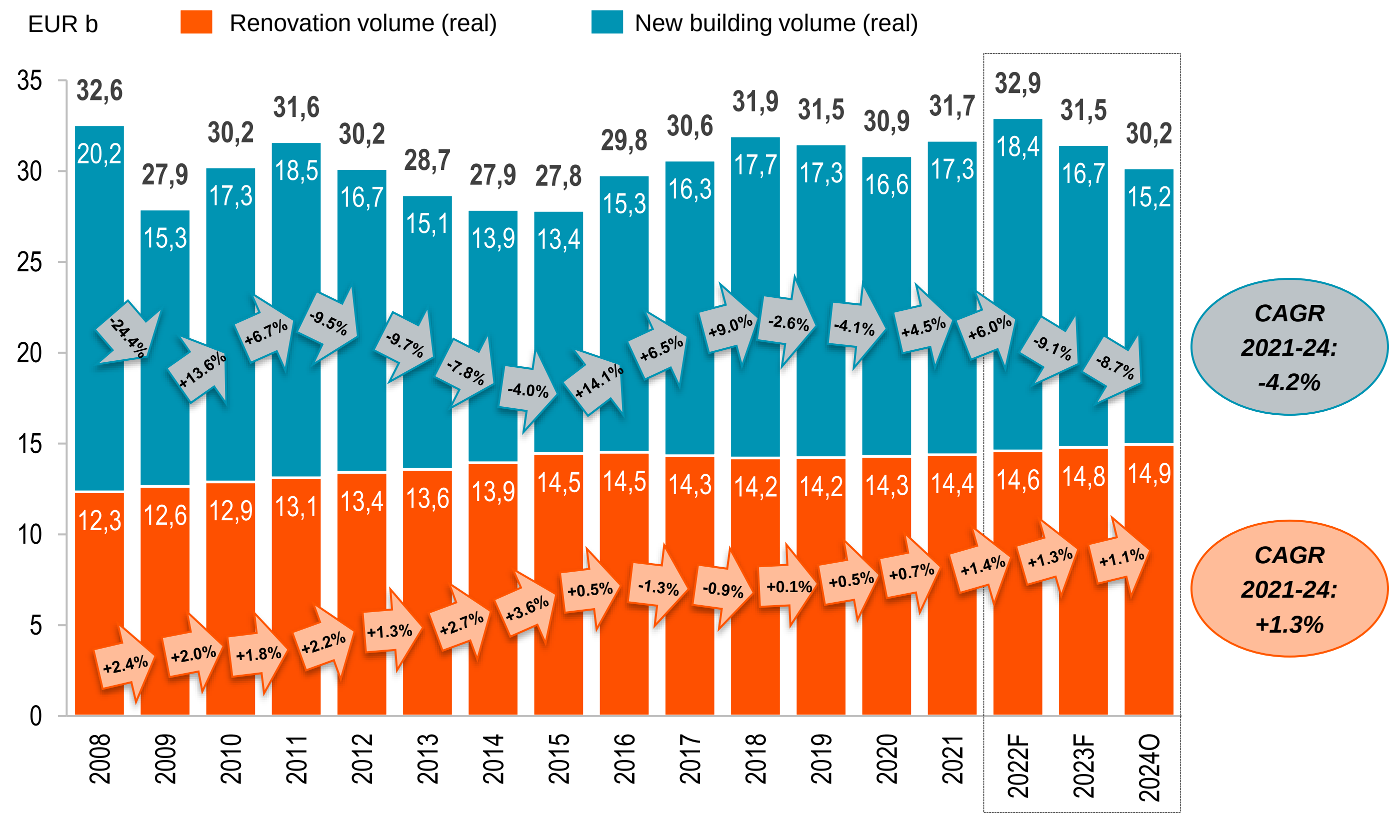
Note: Mean-adjusted figures
Source: European Commission, September 2022

Comments

- In September 2022, the Economic Sentiment Indicator (ESI) continued its steep decline
  - Sep 2022 was the 7th consecutive month of decline in ESI in Finland
  - The decrease in the ESI since February has been driven by a deterioration in confidence in all surveyed business sectors (industry, services, consumer, retail trade and construction)
  - Consumer confidence reached a new all-time low in September
- Construction confidence plummeted sharply in March-July 2022 but recovered back to its long-term average level in September 2022

Renovation to outgrow new building in 2022-24, both residential and non-residential renovation projected to grow going forward

Finnish new building and renovation market development 2008 – 2024



Source: Euroconstruct, June 2022
Confederation of Finnish Construction Industries RT (CFCI), October 2022
Construction 2022–2023 report published by the construction trends group (RAKSU) led by the Ministry of Finance, August 2022

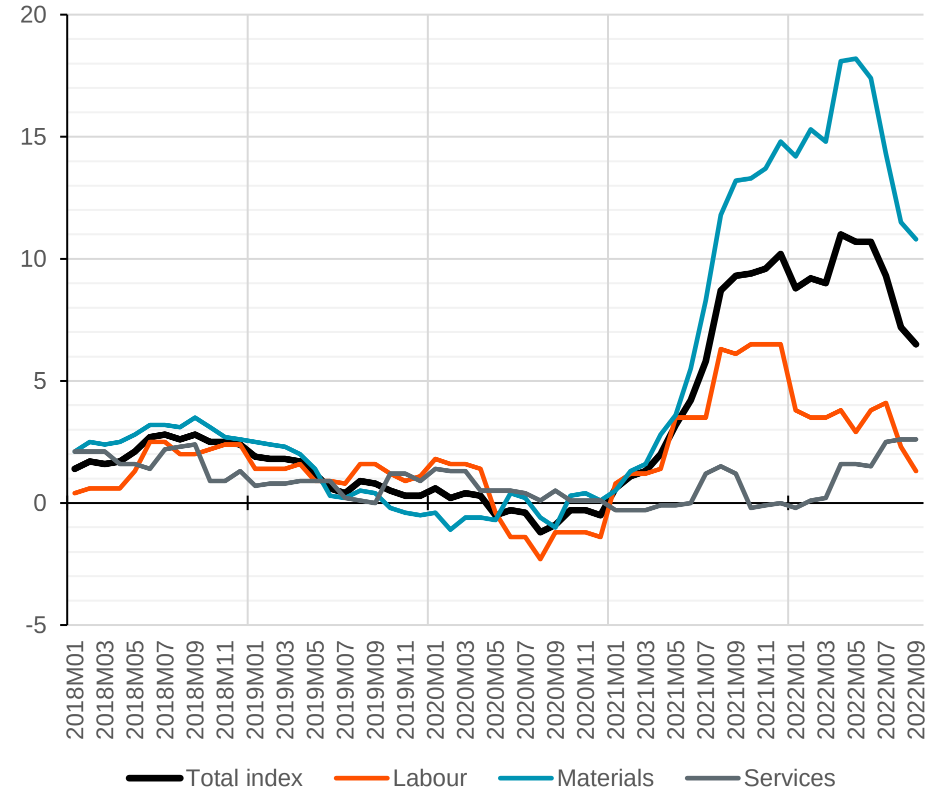
Comments

- According to Euroconstruct, the value of building renovation amounted to approximately EUR 14.4 billion in 2021, representing approximately 45% of total building volume
- The Confederation of Finnish Construction Industries RT (CFCI) estimates in its October 2022 report that the volume of construction is estimated to grow in 2022 by about 2.0 percent from the previous year and predicts that renovation will grow by about 1.0 percent.
- Euroconstruct estimates growth of 1.4 percent for renovation in 2022
- For 2023, CFCI predicts that the construction market is expected to decline approximately 2.0 percent while building renovation is expected to grow by 2 percent
- Renovation is supported by unwinding demand, energy renovations accelerated by higher energy prices and energy shortages, and the green transition
- On the other hand, the outlook for renovation is weakened by rapidly rising construction costs and interest rates

Consti has fared relatively well in the current inflationary market environment

Building cost index rose by 6.2% y-o-y and 0.1% m-o-m in September 2022. The growth rate of costs of materials has leveled off during Q3/2022

Annual change of the Building Cost Index 1/2018 – 9/2022 (%) (2000 = 100)



Source: Statistics Finland

Building cost index by input heading September 2022 (2021=100)	Index figure	Annual change (%)
0 TOTAL INDEX	**109,0**	**6,2**
01 LABOUR	**102,6**	**1,3**
02 MATERIALS	**114,7**	**10,3**
02.1 AREA	***103,3***	***4,0***
02.1.1 Soil	101,9	3,1
02.1.2 Construction site surface structures	104,8	4,4
02.1.3 House equipment	113,1	12,6
02.2 HOUSE	***116,9***	***10,3***
02.2.1 Concrete, bricks and blocks	114,3	12,3
02.2.2 Precast concrete units	119,1	14,1
02.2.3 Timber structures	106,5	-9,1
02.2.4 Steel structures	129,2	17,7
02.2.5 Roofing materials	123,1	15,7
02.2.6 Heat insulation	124,8	23,5
02.2.7 Windows and doors	116,4	12,8
02.3 FACILITIES	***113,5***	***10,5***
02.3.1 Frame structures	120,2	10,8
02.3.2 Surface materials	111,8	11,4
02.3.3 Fixtures, taps and household appliances	109,9	9,6
02.4 TECHNICAL SYSTEMS	**115,6**	**12,6**
02.4.1 Heat, water and sewer	120,3	17,5
02.4.2 Ventilation	113,7	9,1
02.4.3 Electricity, control, lighting and lift	114,7	12,3
03 SERVICES	**103,3**	**2,7**
03.1 SITE AND FIXTURE SERVICES	***103,5***	***2,9***
03.1.1 Transport	114,4	12,1
03.1.2 Mechanical work and hoisters	95,7	-4,4
03.1.3 Site facilities, scaffolding and weather protection	96,5	-2,3
03.1.4 Moulding equipment and supporting	104,4	8,1
03.1.5 Waste charges	102,6	2,6
03.1.6 Site energy	94,2	-8,0
03.2 OTHER SERVICES	***101,7***	***1,1***
03.2.1 Insurance	104,3	3,5
03.2.2 Connection charges	100,4	-0,1

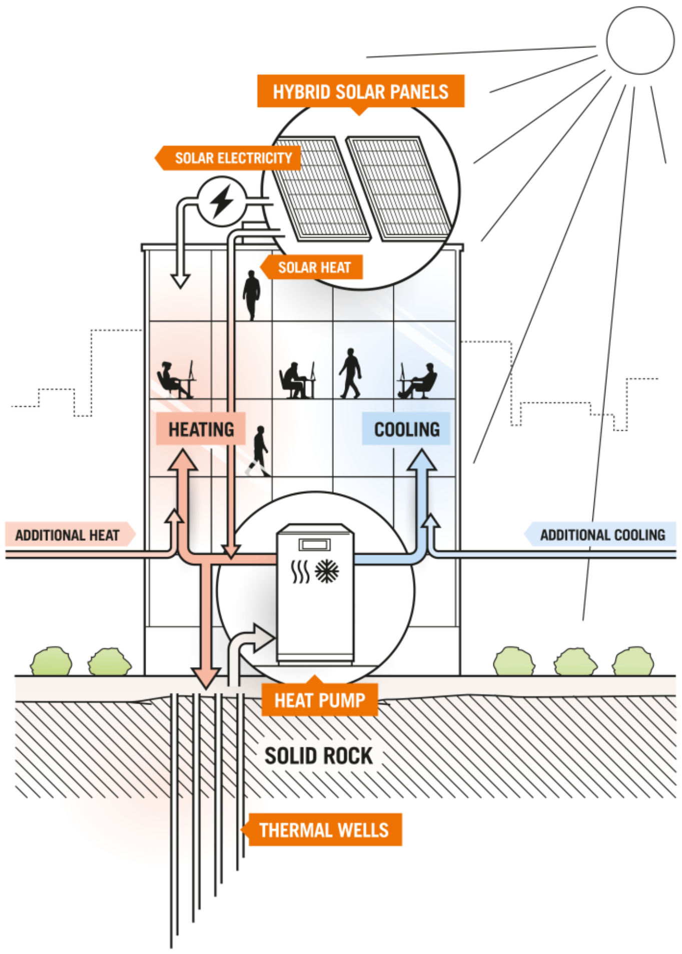
The costs of materials rose by 10.3% y-o-y and 0.3% m-o-m in September 2022. Within materials all other product groups except timber structures have risen over the year

CONSTI comments:

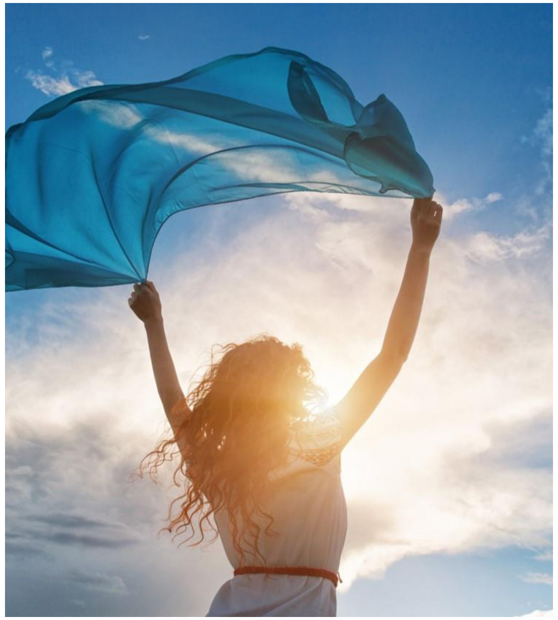
- Building cost inflation partly visible in Consti's project performance in 1-9/2022
- Building costs started to rise in spring '21 ➔ inflation at least to some extent taken into account since summer '21
- Average lead time of Consti's typical projects relatively short
- Also, renovation more labour intensive than new building

Consti OPTIMI™, a great example of Consti's ability to generate valuable and relevant solutions for our customers

- A multi-energy system that manages the building's energy economy
  - efficient heating and cooling with the lowest possible electricity consumption
- The system reduces total energy consumption by up to 50%
  - lower environmental load and energy costs
- Optimised design and operation
  - the building's energy savings are precisely calculated with simulations during the project planning phase
- Developed especially for urban areas, suitable for both renovation and new construction
- Competitive investment costs
  - great energy savings compared to costs
- Equalising the effects of electricity price peaks
  - reduces the electricity bill
- The benefits of the system are greatest in buildings where waste heat is generated
  - offices, hotels, educational institutions, health and medical care, multipurpose buildings, shopping centres, apartment buildings
- Consti OPTIMI is based on Consti's operating principle tailored for the system and the IDA Ice simulation software



CONSTI OPTIMI™

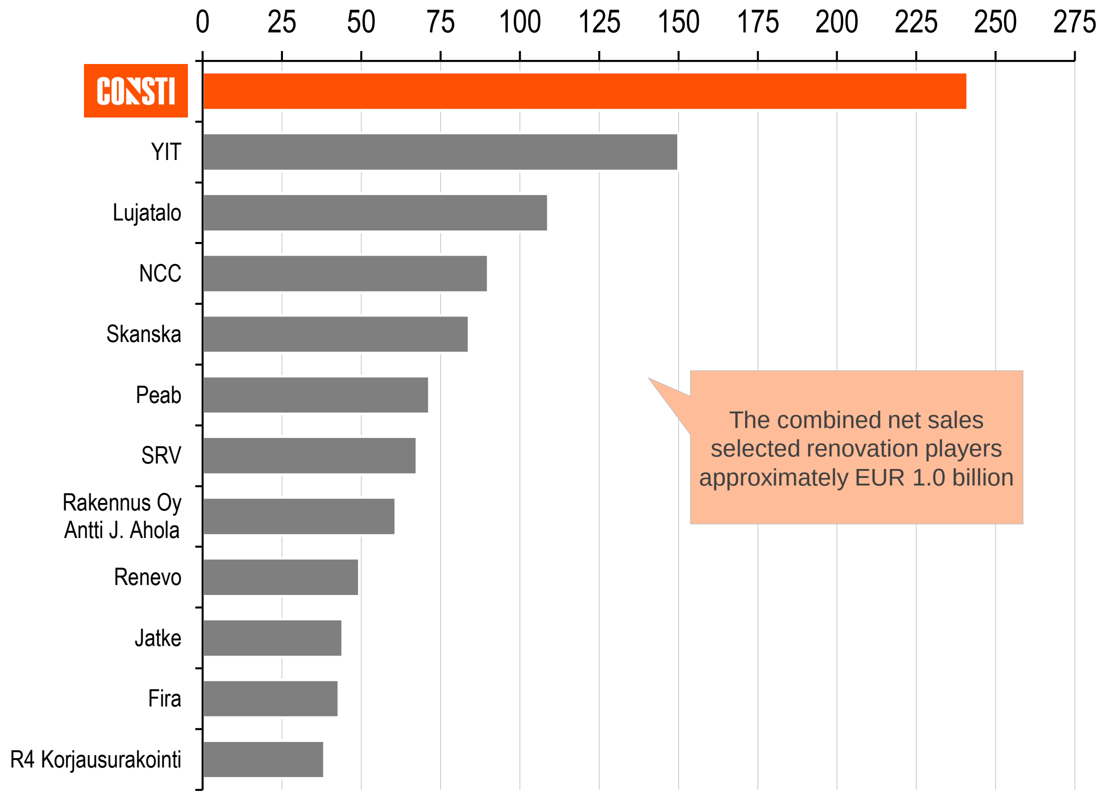


More information can be found from Consti's website www.consti.fi (in Finnish)

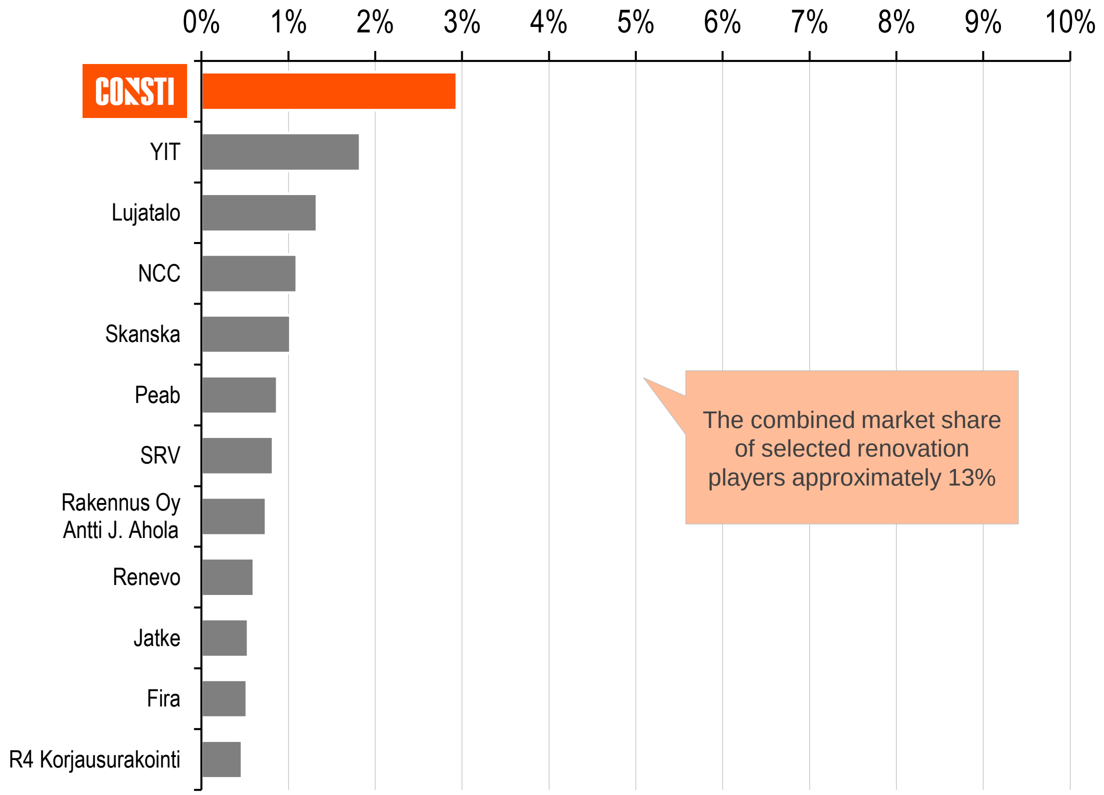
Finnish renovation market highly fragmented

Consti continued to be the largest player in Finnish renovation in 2021

Renovation sales of selected renovation peers in 2021 (EUR m)



Fragmented Finnish renovation market* Estimated market shares of selected peers in 2021



Source: Rakennuslehti, Consti analysis

** Calculated based on renovation market excluding household sector*

Outlook and guidance for 2022

- Russia's military aggression and cost inflation together with rising interest rates create uncertainty in Consti’s operating environment
  - 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
- Targeted additional measures were continued to ensure performance in an uncertain operating environment
  - Focus especially on procurement, tendering, customer activities and careful monitoring of fixed costs
- 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.”**

Summary

1. Solid performance continued in Q3 despite inflationary market environment
2. Q3 net sales grew 4.0% year-on-year, Q3 order intake and order backlog slightly below comparison period
3. Financial position strengthened from previous quarter as a result of improved profitability and cash flow
4. Russia's military aggression and cost inflation together with rising interest rates creates uncertainty about the short-term demand outlook. However, needs-based nature of renovation to support demand going forward
5. Targeted additional measures were continued to secure solid performance in the uncertain operating environment, focus especially on procurement, tendering, customer activities and careful monitoring of fixed costs
6. Consti well positioned to continue positive and solid operational development also in Q4 2022

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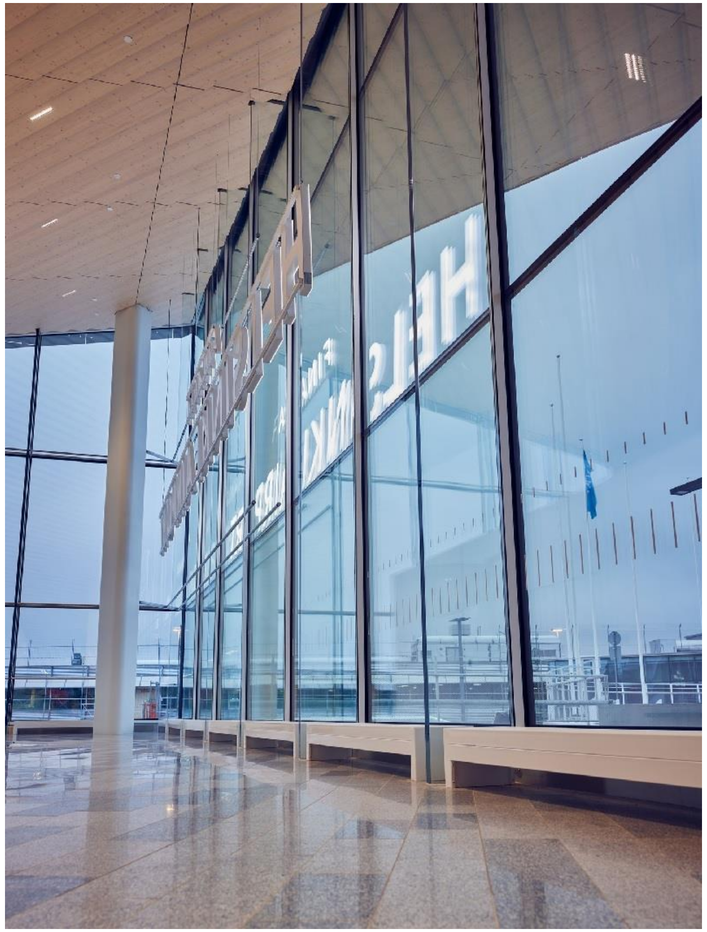


CONSTI GROUP STRATEGY 2021–2023

MISSION

Our mission is to improve the value of the building stock, and the value of life. The satisfaction of our customers and partners, as well as the well-being of our personnel are the prerequisites to all our operations.

Long-term financial goals		
	Growth: net sales growing faster than the market	Cash flow: Cash conversion ratio exceeding* >90%
	Profitability: EBIT-margin exceeding >5%	Capital structure: Net debt to adjusted EBITDA ratio <2,5x

* The cash conversion is the amount of free cash flow divided by EBITDA. Free cash flow means net cash flow from operating activities before financial expenses and taxes, less capital used for purchase of intangible assets and property, plant and equipment.

To realise its vision and goals, Consti has defined the following strategic focus areas:

1. **Growth in current business**
   - ▹ controlled and profitable growth in attractive renovation and building technology segments
2. **New businesses**
   - ▹ comprehensively answering customer needs by growing in attractive new construction projects
3. **Improving relative profitability**
   - ▹ expanding value created for customers and active management of business portfolio
4. **Improving production efficiency**
   - ▹ Target to have the industry's most efficient production and a steady level of performance in project deliveries
5. **People and management**
   - ▹ supporting profitable growth by investing in the implementation of the Consti Way, expanding competence, adding diversity, and adopting LEAN principles
6. **Corporate social responsibility and sustainable development**
   - ▹ concentrating on updated responsibility themes, which are environmentally friendly business, work safety and well-being at work, supply chain and customer satisfaction

Consti's Net Impact Profile

Consti creates positive societal and environmental impacts by using scarce human capital and environmental resources

Consti Group's Net Impact Profile (analysis by Upright Project)

	NEGATIVE	SCORE	POSITIVE
SOCIETY	**-0.0**	**+3.5**	**+3.5**
Jobs	-0.0	+1.1	+1.1
Taxes	-0.0	+1.4	+1.4
Societal infrastucture	-0.0	+0.8	+0.8
Societal stability	-0.0	+0.1	+0.1
Equality & human rights	-0.0	+0.0	+0.0
KNOWLEDGE	**-0.8**	**-0.6**	**+0.2**
Knowledge infrastructure	-0.0	+0.0	+0.0
Creating knowledge	-0.0	+0.1	+0.1
Distributing knowledge	-0.0	+0.1	+0.1
Scarce human capital	-0.8	-0.8	+0.0
HEALTH	**-0.1**	**+0.2**	**+0.4**
Physical diseases	-0.1	-0.0	+0.1
Mental diseases	-0.0	+0.0	+0.0
Nutrition	-0.0	+0.0	+0.0
Relationships	-0.0	+0.1	+0.1
Meaning & joy	-0.0	+0.1	+0.1
ENVIRONMENT	**-2.1**	**-1.4**	**+0.7**
GHG emissions	-1.3	-0.6	+0.7
Non-GHG emissions	-0.2	-0.2	+0.0
Scarce natural resources	-0.1	-0.1	+0.0
Biodiversity	-0.1	-0.1	+0.0
Waste	-0.5	-0.5	+0.0

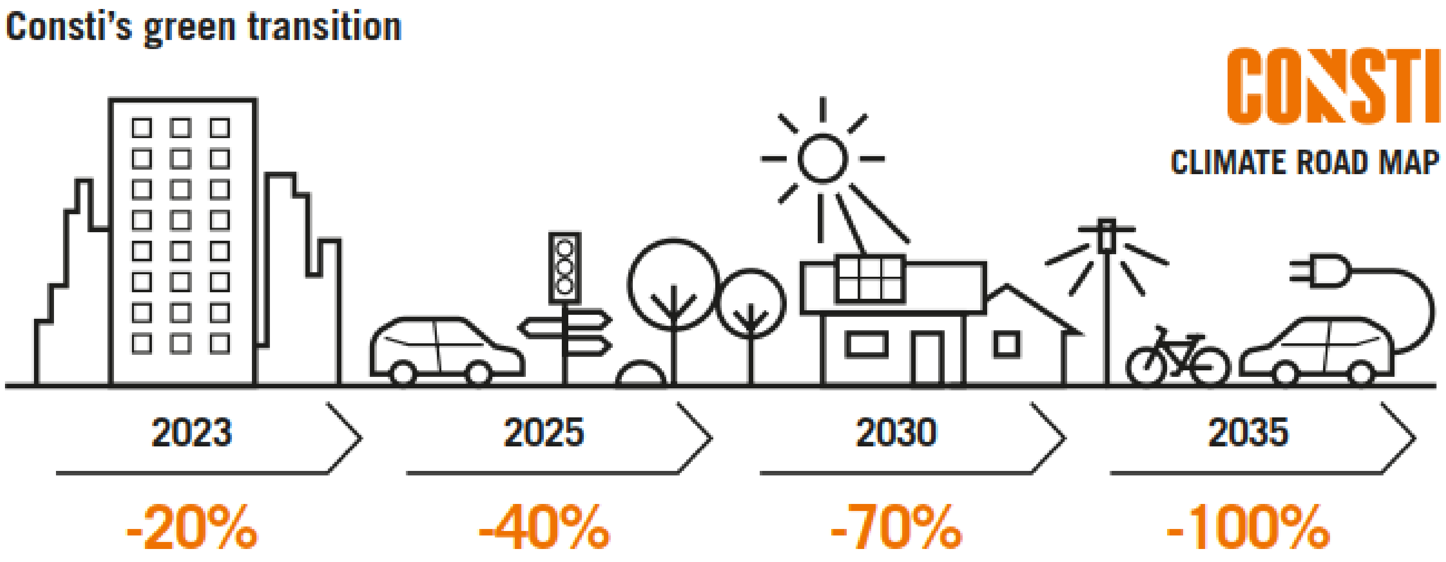
+35% NET IMPACT RATIO

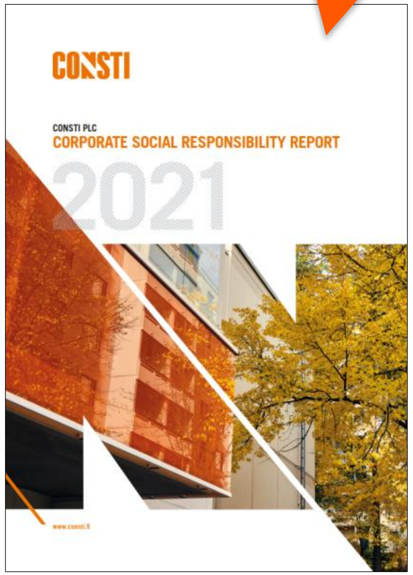
Comments

- Consti Group's overall impact on the environment, health, society, and knowledge was analysed by Upright Project in late 2021
- According to the analysis, Consti's net impact ratio is +35%, which means that Consti's overall impact on its social and ecological environment is clearly positive
- According to the net impact data, Consti creates a clearly more positive net impact ratio compared to the weighted average of Helsinki stock listed companies (*Nasdaq Helsinki weighted average: -7%)*
- The net impact analysis will enable Consti to develop its operations to become even more responsible (what is being renovated is a significant determinant of net impact)
- As for EU Taxonomy, Consti estimates that 100% of its business is taxonomy eligible ➔ this is due to the fact that all construction and renovation work is eligible within the taxonomy

Consti's Green Transition

More information on the progress of Consti's sustainability work can be found in the sustainability report published in April -22



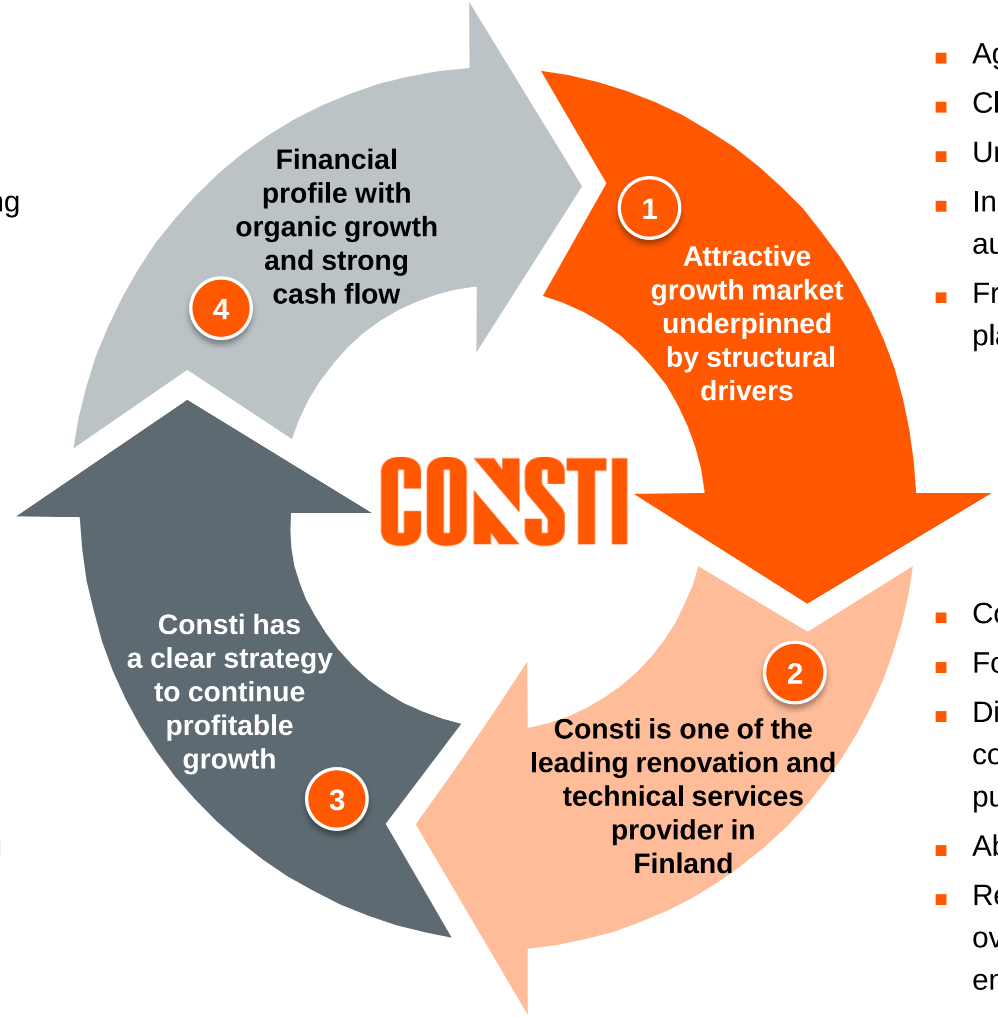


- Consti has announced CO_2 emission reduction targets for its own operations (Scope 1–2)
- Consti's target is to reduce its own CO_2 emissions by 40% by 2025, by 70% by 2030, and by 100% by 2035.
- The reductions will be realised gradually by switching to electric company cars and replacing fossil fuels with renewables. Utility vehicles will also gradually switch over to renewable fuels. Regarding the electricity use of offices, the goal is to already reach a point by 2023 where 70% of electricity comes from renewable sources
- Consti will also continue to monitor the consumption and emissions of construction sites and define emission reduction goals for site operations

Consti as an investment - Key investment highlights

- Successful turnaround since 2019
- Steadily improving profitability
- Solid platform for future growth
- Asset-light business model with negative working capital and strong cash flow

- Aging building stock driving need-based renovation
- Climate change and energy efficiency requirements
- Urbanisation and changes in working methods
- Increased need for building technology and automation
- Fragmented market with limited renovation focused players



- Utilising the full potential of customer-oriented organisational structure
- Growing in existing businesses as well as in attractive new construction projects
- Expanding value created for customers
- Improving production efficiency and maintaining steady level of performance in project deliveries
- Complementary acquisitions

- Comprehensive service offering
- Focus on Finnish growth centres
- Diversified customer base including housing companies, corporations, real estate investors and public sector
- Ability to deliver projects of all sizes
- Responsible company creating a clearly positive overall impact on its social and ecological environment

INTERIM REPORT 1-9/2022 CONSTI PLC

Q3

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