

FINANCIAL STATEMENTS RELEASE

January–December 2020

Adapteo is a leading Northern European company for adaptable buildings. We offer premium solutions to schools, daycare centres, offices, accommodation and events for temporary and permanent needs.

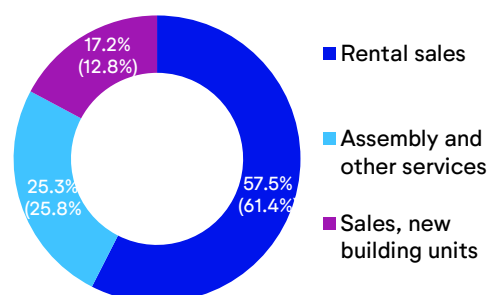
Adapteo.

High activity and geographic expansion

October–December 2020

- Rental sales amounted to EUR 36.1 (35.1 in Q4 2019) million. In constant currencies, rental sales increased by 1%.
- Net sales amounted to EUR 65.3 (49.6) million. In constant currencies, net sales increased by 29%.
- Comparable EBITDA was EUR 24.2 (20.6) million. Comparable EBITDA margin was 37.0% (41.6%).
- Operating profit (EBIT) was EUR 8.6 (-3.9) million, representing 13.2% (neg) of net sales. Operating profit (EBIT) included items affecting comparability of EUR -2.3 (-1.0) million.
- Operating cash flow before growth capex was EUR 18.4 (19.0) million.
- Growth capex was EUR 6.3 (4.3) million.
- Earnings per share was EUR 0.13 (-0.17).

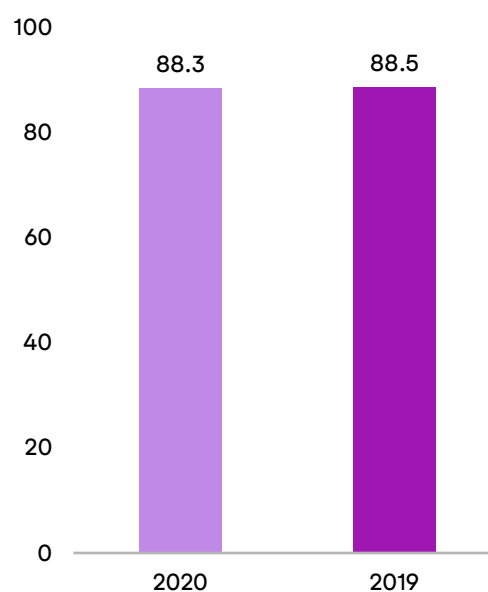
**Net sales
Jan–Dec, %**



January–December 2020

- Rental sales amounted to EUR 133.1 (132.7 in Jan-Dec 2019) million. In constant currencies, rental sales were unchanged.
- Net sales amounted to EUR 231.4 (216.2) million. In constant currencies, net sales increased by 7%.
- Comparable EBITDA was EUR 88.3 (88.5) million. Comparable EBITDA margin was 38.2% (40.9%).
- Operating profit (EBIT) increased to EUR 36.8 (22.1) million, representing 15.9% (10.2%) of net sales. Operating profit (EBIT) included items affecting comparability of EUR -4.9 (-12.4) million.
- Operating cash flow before growth capex was EUR 63.9 (65.7) million.
- Growth capex was EUR 36.7 (29.1) million.
- Operative return on capital employed (ROCE) amounted to 9.1% (8.5%).
- Net debt to comparable EBITDA was 4.9.
- Earnings per share was EUR 0.42 (0.19).
- The Board of Directors proposes a dividend of EUR 0.12 (0.0) per share.
- For January–December 2020, as pro forma, including Dutch Cabin Group, net sales were EUR 270.4 million, pro forma operating profit (EBIT) EUR 42.6 million, and pro forma comparable EBITDA EUR 98.2 million.

**Comparable EBITDA
Jan–Dec, EUR millions**



Significant events during the fourth quarter

- On 29 October the company completed its acquisition of the Dutch Cabin Group (“DCG”). DCG manufactures, rents out, and sells both temporary and permanent buildings to customers within the governmental, educational, industrial and healthcare sectors. It had 146 employees on 31 December and is headquartered in Klundert, the Netherlands. DCG operates with six brands in the Netherlands and Germany. A purchase price of EUR 63 million was paid in cash upon the completion of the acquisition.
- On 9 December the company announced its intention to acquire Stord Innkvartering (“Stord”), a Norwegian company with a leading position in the worker accommodation segment. This acquisition was completed on 29 January 2021. A purchase price of NOK 677 million (approximately EUR 64 million) was paid in cash, and potential additional considerations may become payable in the future depending on Stord's future financial performance. A majority of Stord's customers are in the infrastructure industry and public sector. Stord's building portfolio consists of approximately 4,000 units with approximately 110,000 square meters.
- In November Adapteo refinanced its loan facilities agreements. After the refinancing, the company has available long-term, 36 months, facilities of EUR 530 million and a revolving credit facility of EUR 100 million.
- Adapteo made a directed issue of 4.4 million shares. Net proceeds amounted to approximately SEK 386 million from the placing which was significantly oversubscribed and attracted a considerable number of large institutional investors. The number of shares in the company amounts to 49.1 million after the issue.
- Adapteo launched a new sustainability strategy with a focus on climate-smart buildings, innovation for sustainability and inclusive societies. The strategy aims for Adapteo to become a driving force in the transition to a circular and sustainable construction and real estate industry.
- Adapteo entered into the world's largest corporate sustainability initiative, the United Nations Global Compact. Its content is summarised in ten principles, regarding the topics of human rights, labour, environment, and anti-corruption.

Key figures

During 2019, Adapteo presented certain key figures and other financial information for 2019 on a pro forma basis to illustrate the impacts of the formation of Adapteo on 30 June 2019 through a demerger and related refinancing. Since the pro forma impact on

2019 figures is not material, all key figures and financial information for comparative year 2019 have been presented in this report as actual/carve-out financial information, unless otherwise stated.

EUR millions or as indicated	Oct-Dec 2020	Oct-Dec 2019	Full Year 2020	Full Year 2019
Net sales	65.3	49.6	231.4	216.2
Net sales growth in constant currency, %	29.2	-8.5	6.8	-0.2
Rental sales	36.1	35.1	133.1	132.7
Rental sales growth in constant currency, %	0.9	1.6	0.0	4.6
Comparable EBITDA	24.2	20.6	88.3	88.5
Comparable EBITDA margin, %	37.0	41.6	38.2	40.9
EBITDA	21.9	19.6	83.4	76.1
EBITDA margin, %	33.5	39.6	36.0	35.2
Comparable EBITA	11.7	-2.2	44.4	37.2
Comparable EBITA margin, %	17.8	-4.4	19.2	17.2
Operating profit (EBIT)	8.6	-3.9	36.8	22.1
Operating profit (EBIT) margin, %	13.2	-7.8	15.9	10.2
Profit for the period ¹	5.7	-7.5	18.9	8.4
Earnings per share, EUR	0.13	-0.17	0.42	0.19
Comparable earnings per share, EUR ¹	0.17	0.04	0.51	0.60
Net debt/comparable EBITDA	-	-	4.9	4.5
Operative ROCE, %	-	-	9.1	8.5
Operating cash flow before growth capex	18.4	19.0	63.9	65.7
Cash conversion before growth capex, %	76.2	92.0	72.4	74.2
Growth capex	6.3	4.3	36.7	29.1
Total sqm in building portfolio	1,132,320	1,009,986	1,132,320	1,009,986
Utilisation rate, %	77.1	82.6	78.7	84.4

¹ On a pro forma basis profit for the period and comparable earnings per share were EUR 8.6 million and EUR 0.61 for full year 2019.

Acquisition of Dutch Cabin Group

On 5 October 2020, Adapteo entered into an agreement with George Holding B.V. to acquire Dutch Cabin Group ("DCG") by acquiring 100% of the shares. The closing of the acquisition took place on 29 October 2020. DCG contributed to Adapteo's net sales by EUR 9.6 million and to operating profit by EUR 1.4 million for the period from 29 October to 31 December 2020.

The pro forma key figures below illustrate the financial impact of the acquisition of Dutch Cabin

Group on the Adapteo's business performance for January-December 2020 as if the transaction had taken place on 1 January 2020. The illustrative pro forma figures are prepared based on the historical results of Adapteo and DCG and are presented in accordance with IFRS. Adapteo's net sales for January-December 2020 would have amounted to EUR 270.4 million, operating profit to EUR 42.6 million and comparable EBITDA to EUR 98.2 million if the acquisition had been completed on 1 January 2020.

Key figures, pro forma

EUR millions	Full Year 2020
Net sales	270.4
Operating profit (EBIT)	42.6
Comparable EBITDA	98.2

See note 5 for additional information.

CEO Comments

High activity and geographic expansion

The fourth quarter of 2020 was characterised by a stable performance in Adapteo's continued business and by a high activity for increasing the Group's footprint and position in new geographies and market segments. Despite the adverse effects from covid-19, our company has gained in competitiveness and created a solid foundation for future growth. In addition to our circular business model being part of our DNA, we have sharpened our sustainability strategy and made further commitments for progress in the areas of environment, human rights, labour and anti-corruption.

In the fourth quarter, Adapteo's continued business ("Old Adapteo") posted higher earnings than in the last quarter of 2019. This stable development has been achieved in a quarter when a global pandemic has had a significantly adverse effect on many market segments. In addition, we saw already for November and December a positive contribution from our new colleagues in the Dutch Cabin Group (DCG).

Market development

The fourth quarter is a period of relatively low activity among our public-sector customers and the effects of the ongoing pandemic has not had a material impact on us compared to the last quarter of 2019 within this sector, though the rental portfolio is affected by lower activity in the previous quarters. Many private-sector segments still show a very low activity. Due to the covid-19 pandemic, in many of our markets there is an industry-wide overcapacity of available square meters which continues to put a downward pressure on prices.

In addition to our geographic expansion, we have sharpened our offering in several customer segments, like elderly care and worker accommodation, and achieved increased competitiveness from our systematic work with commercial excellence.

Geographic and market segment expansion

In the fourth quarter we announced the acquisitions of DCG and Stord Innkvartering (Stord). With DCG being a part of Adapteo since 29 October we have established a good position in the Netherlands, strengthened our presence in the German market, and seen a highly competent and dynamic management team joining us. DCG is thus a cornerstone in our ambition for future growth in continental Europe.

With Stord we made a leap forward in Norway, especially in the important customer segment of worker accommodation, adding a sizeable building portfolio and new management expertise in a customer segment with infrastructure-like dynamics with long and stable customer contracts.

Industry leader in sustainability

In October, we launched a new sustainability strategy focusing on climate-smart buildings, innovation for sustainability, and inclusive societies. The strategy draws up the guidelines for future activities to become a driving force in transitioning to a circular and sustainable construction and real estate industry. The sustainability strategy originates in the UN's Sustainable Development Goals. Based on the three strategic pillars of climate-smart buildings, innovation for sustainability, and inclusive societies, Adapteo will measure and report on its sustainability work on an annual basis in the sustainability report.

In November 2020, Adapteo was accepted to the world's largest corporate sustainability initiative, the UN Global Compact. The UN Global Compact's ten principles are in line with Adapteo's concept of ethical business practice, which is an integrated part of our operations. A concrete result from the actions taken in 2020 was Morgan Stanley Capital International's (MSCI) upgrading of Adapteo to AA status, rating us a leader in our industry in Environmental, Social, and Governance performance. Adapteo plans to release its sustainability targets during the first half of 2021.

Financial strength and flexibility

In the fourth quarter we refinanced the Group. Long-term credit facilities now amount to EUR 530 million and on top of this we have a EUR 100 million unused revolving credit facility. We also used the mandate from the last Annual General Meeting to make a share issue which contributed with more than EUR 37 million to cash and equity. This adds to our financial stability and gives us a platform for initiatives for continued growth.

Positioned for profitable growth

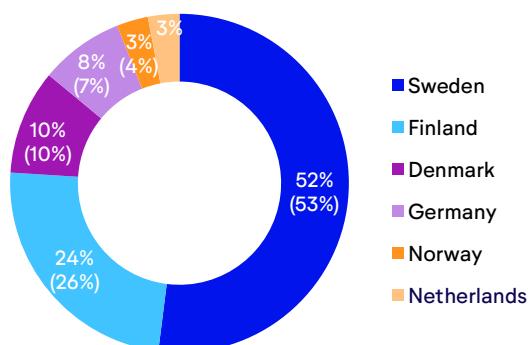
I am very proud of being part of a team that has achieved so much during the last quarter, a team which has been further strengthened by new colleagues in the Netherlands and Norway. With our larger geographic footprint, increased commercial competitiveness, upgraded portfolio, operational efficiency, financial stability, and growth ambitions, I am confident that we have a strong momentum and solid foundation to meet a new year to deliver on our ambition to build a resource-efficient and adaptable societies.

Philip Isell Lind af Hageby
President and CEO

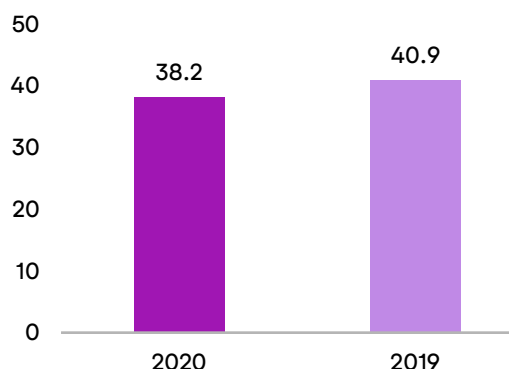


Group performance

Geographical distribution of Net sales
Jan-Dec, %



Comparable EBITDA margin
Jan-Dec, %



Net sales

EUR millions	Oct-Dec 2020	Oct-Dec 2019	Full Year 2020	Full Year 2019
Rental sales	36.1	35.1	133.1	132.7
Assembly and other services	15.8	12.4	58.6	55.8
Sales, new building units	13.5	2.1	39.7	27.7
Total	65.3	49.6	231.4	216.2

October–December 2020

Adapteo's rental sales in the fourth quarter grew to EUR 36.1 (35.1) million. In constant currencies, rental sales increased by 1%. Net sales increased to EUR 65.3 (49.6) million. In constant currencies, net sales increased by 29%. Both sales numbers saw an impact from the inclusion of the Dutch Cabin Group, which contributed with EUR 2.4 million of rental sales and EUR 9.6 million of net sales for November-December.

Market activity was significantly lower in the private sector while public sector activity was lower in Sweden and Finland but showed high activity in Germany and Norway. Adapteo saw its share of orders taken in the public sector increasing. Adapteo's building portfolio grew by 8% from 30 September due to the inclusion of Dutch Cabin Group and stood at 1,132 thousand square meters as of 31 December. Utilisation rate for the total

building portfolio was 77.1% during the quarter on the back of the building portfolio expansion in Q2-Q4.

January–December 2020

Adapteo's rental sales were EUR 133.1 (132.7) million. In constant currencies, rental sales were unchanged. Net sales increased to EUR 231.4 (216.2) million. In constant currencies, net sales increased by 7%. Both sales numbers saw an impact from the inclusion of the Dutch Cabin Group for November-December. In Business Area Rental Space, additional rental and other revenue from DCG compensated for a slower year-on-year development in "Old Adapteo". In Business Area Permanent Space the contribution from DCG was larger in absolute numbers and added significantly to the favourable development in "Old Adapteo".

Result

October–December 2020

Adapteo's comparable EBITDA for October-December increased by 17% to EUR 24.2 (20.6) million. The comparable EBITDA margin decreased to 37.0% (41.6%). Compared to Q4 2019, comparable EBITDA increased in business area Rental Space, both in "Old Adapteo" and by the contribution for November-December from Dutch Cabin Group. In Permanent Space the DCG impact was even more pronounced.

Depreciation, amortisation and impairment on property, plant, and equipment and on intangibles totalled EUR 13.3 (23.5) million during the quarter. There

was an increase from the inclusion of DCG in 2020, but in Q4 2019 there was a EUR -8.7 million net impact from write-downs of old modules.

Operating profit (EBIT) amounted to EUR 8.6 (-3.9) million. Operating profit (EBIT) included items affecting comparability of EUR -2.3 (-1.0) million, of which most was from acquisition-related activities.

Net financial expenses were EUR -2.1 (-1.5) million as a result of new refinancing arrangements and the acquisition of DCG and Stord Innkvartering. October-December profit before taxes totalled EUR 6.5 (-5.4)

million and profit for the period was EUR 5.7 (-7.5) million.

January–December 2020

Adapteo's comparable EBITDA for the year was unchanged at EUR 88.3 (88.5) million. The comparable EBITDA margin decreased to 38.2% (40.9%). Compared to 2019, comparable EBITDA increased in business area Rental Space by the contribution for November–December from Dutch Cabin Group. In Permanent Space the DCG impact was even more pronounced though for the full year earnings decreased. Lower costs for Group functions contributed positively.

Depreciation, amortisation and impairment on property, plant, and equipment and on intangible assets

totalled EUR 46.6 (54.0) million during the year. There was an increase from the inclusion of DCG in 2020 and from the increased building portfolio, but in Q4 2019 there was a significant impact from write-downs of old modules.

Operating profit (EBIT) amounted to EUR 36.8 (22.1) million. Operating profit (EBIT) included items affecting comparability of EUR -4.9 (-12.4) million, of which most was from acquisition-related activities.

Net financial expenses were EUR -10.2 (-7.8) million as a result of new refinancing arrangements and the acquisition of DCG and Stord Innkvartering. Full year profit before taxes totalled EUR 26.6 (14.4) million and profit for the period was EUR 18.9 (8.4) million. Earnings per share was EUR 0.42 (0.19).

Capital expenditure

Adapteo's October–December net capex totalled EUR 18.7 (27.9) million. Net fleet capex amounted to EUR 17.5 (27.9) million, of which growth capex was EUR 6.3 (4.3) million and maintenance capex was EUR 11.2 (23.6) million. In addition to growth capex, which adds to the net amount of square meters of the building portfolio, maintenance capex was primarily destined for upgrading

the fleet to a higher standard to meet specifications in signed projects.

Adapteo's January–December net capex totalled EUR 66.3 (69.2) million. Net fleet capex amounted to EUR 63.8 (59.4) million, of which growth capex was EUR 36.7 (29.1) million.

Cash flow, financing and balance sheet

In January–December, net cash inflow from operating activities was lower at EUR 77.9 (80.1) million, mainly due to a lower decrease of net working capital, by EUR 5.2 (17.2) million. Year-to-date 2020 has seen decreases of both accounts receivable and payable, while the corresponding period last year saw a significant increase in payables.

On 31 December 2020, borrowings totalled EUR 496.1 million (on 30 September 2020 EUR 412.6 million). Net debt totalled EUR 434.8 million (on 30 September 2020 EUR 405.4 million). Net debt to comparable EBITDA was 4.9. Pro forma, including Dutch Cabin Group for January–December 2020, net debt to comparable EBITDA was 4.4.

In November 2020 Adapteo signed a refinancing agreement with a consortium of commercial banks. This consists of a EUR 530 million term loan and a EUR 100 million committed revolving credit facility. The loan agreement contains quarterly monitored financial covenants which the company is fully compliant with. The EUR 530 million term loan was not fully drawn down as of 31 December 2020 and has a maturity of three years. At

the end of 2020 the EUR 100 million RCF was fully undrawn.

In December 2020 the Board used the mandate from the 2020 Annual General Meeting to make a share issue. 4.4 million shares were sold at SEK 89 per share, adding approximately net EUR 37 million to Adapteo's cash and cash equivalents and approximately EUR 38 million to equity.

Adapteo's liquidity and funding position is thus good. Cash and cash equivalents amounted to EUR 54.8 million (on 30 September 2020 EUR 1.8 million). In addition, Adapteo has a EUR 20 million overdraft facility until further notice, which was fully unused as of 31 December 2020.

Property, plant and equipment amounted to EUR 528.6 million (on 30 September 2020 EUR 463.9 million). Total assets were EUR 928.2 million (on 30 September 2020 EUR 737.3 million). Operative return on capital employed (ROCE) amounted to 9.1% in 2020, compared to 8.5% in 2019. Pro forma, including Dutch Cabin Group for January–December 2020, operative return on capital employed (ROCE) amounted to 10.5%.

Business area performance

Adapteo has two primary reporting segments: Business Area Rental Space and Business Area Permanent Space. It has operations in six geographical areas: in Sweden, Finland, Norway, Denmark, Germany, and the Netherlands. Business Area Rental Space includes the

rental of adaptable buildings as well as the provision of assembly and other services. Business Area Permanent Space includes sales and long-term leasing of adaptable buildings.

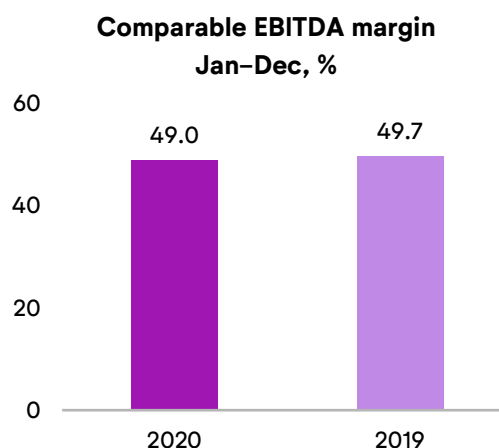
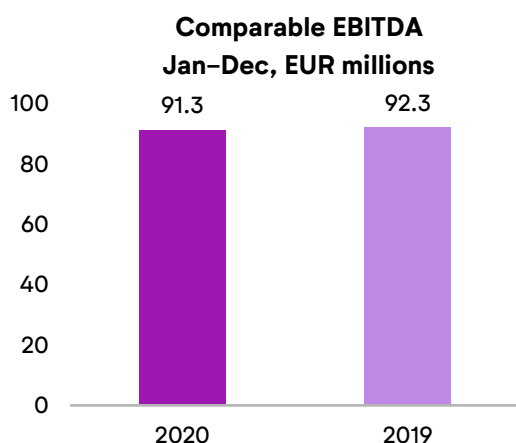
Business Area Rental Space

In Business Area Rental Space, Adapteo provides adaptable buildings to different types of customers,

predominantly public-sector customers such as municipalities, regions, and government bodies, as well

as to private-sector customers such as industrial companies and private enterprises. Adapteo addresses demand for space primarily in social infrastructure such as schools, daycare centres, and health and social care, as well as for offices, exhibitions and other temporary

needs. The majority of Business Area Rental Space's customers operate in the public sector.



Rental Space

EUR millions or as indicated	Oct-Dec 2020	Oct-Dec 2019	Full Year 2020	Full Year 2019
Rental sales	34.8	32.1	130.3	129.2
Assembly and other services	15.5	12.4	54.3	55.8
Sales, new building units	0.0	0.2	1.7	1.0
External sales	50.4	44.6	186.3	186.0
Inter-segment sales	0.0	-	0.1	-
Net sales	50.4	44.6	186.4	186.0
Comparable EBITDA	24.1	22.6	91.3	92.3
EBITDA	23.9	22.6	90.9	91.2
Comparable EBITDA margin, %	47.8	50.7	49.0	49.7
EBITDA margin, %	47.4	50.7	48.8	49.0

Performance in October–December 2020

Net sales in Business Area Rental Space increased by 13% to EUR 50.4 (44.6) million. Rental sales increased by 9%, while revenue from assembly and other services increased by 26%. Comparable EBITDA increased by 6% to EUR 24.1 (22.6) million, excluding EUR -0.2 (0.0) million of items affecting comparability.

Finland and Germany saw higher rental revenue in Q4 2020 than in the corresponding quarter last year. Rental revenue decreased in Denmark and in Norway. Sweden had a slight decline in local currency but made a positive contribution in euros. The Netherlands posted 30% higher rental revenue than Q4 2019 on the back of high business activity through the year. Competition on price sharpened year-on-year in the Nordic markets, not least due to general overcapacity among suppliers of adaptable buildings. Private-sector demand was low while public-sector demand did not see any major negative impact on volumes. In Sweden the 2020 number of new delivered projects and corresponding number of square meters for public-sector contracts were lower than last year, with a continued pressure on prices.

In Finland, Adapteo had fewer new projects starting than last year. The whole second half of 2020 was positively affected by prolongations of some large contracts. In Germany a good rental sales growth development was driven by healthy market demand in public sector projects. Prices remain at a good level, not least for Adapteo's high-end solutions. In Denmark, rental revenue was down on Q4 last year. Revenue was lower from worker accommodations and the number of square meters on rent suffered from a low market activity earlier in the year. Norway saw a negative impact from a low number of new projects earlier in the year.

Throughout the whole business area, earnings saw a positive impact from lower indirect costs as profit protection measures and covid-related restraints on activity had a significant impact.

Performance in January–December 2020

Net sales in Business Area Rental Space remained constant at EUR 186.4 (186.0) million. Rental sales increased by 1%, while revenue from assembly and other services decreased by 3%. Comparable EBITDA

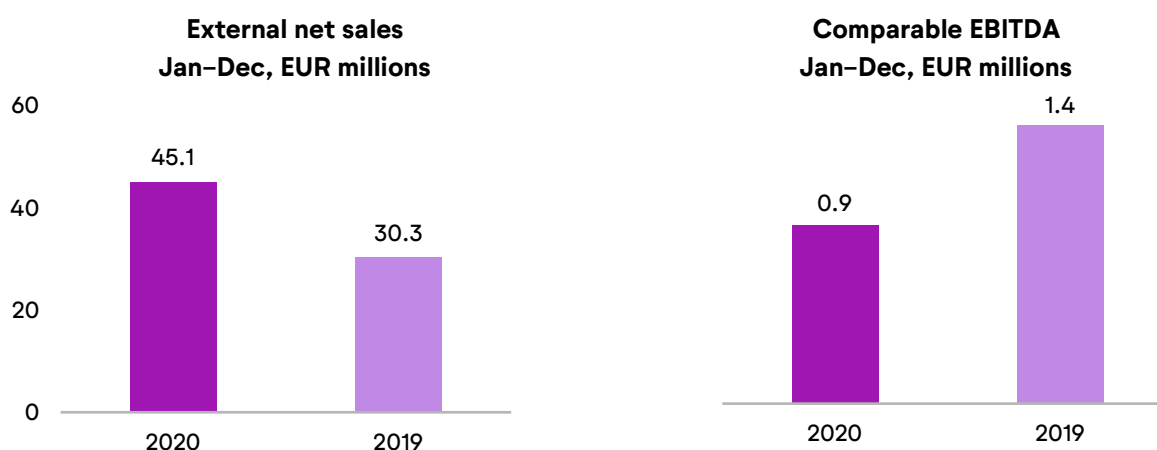
decreased by 1% to EUR 91.3 (92.3) million, excluding EUR -0.4 (-1.2) million of items affecting comparability. Primarily Finland and Germany, to some extent also Sweden, contributed to higher rental sales than in the January-December 2019 period. Germany saw a steady increase of new projects delivered throughout the year with growth being led by a very positive market response

to the new Hybrid model. Finland had a positive impact from many projects delivered in the first half-year and from prolongations of a number of large projects in the second half-year. Denmark and Norway had a declining development throughout the year with projects being returned at a faster pace than tough market conditions allowed for new projects.

Business Area Permanent Space

In Business Area Permanent Space, Adapteo provides mainly tailor-made prefabricated adaptable buildings for sale or long-term leasing to public and private sector customers. Adapteo provides turnkey solutions, built with a modular construction technique and manufactured in a

controlled indoor environment with a short time to delivery. The adaptable buildings in this business area are equal to site-built buildings in their characteristics and comply with permanent building requirements.



Permanent Space

EUR millions or as indicated	Oct-Dec 2020	Oct-Dec 2019	Full Year 2020	Full Year 2019
Rental sales	1.2	3.0	2.8	3.5
Assembly and other services	0.3	-	4.3	-
Sales, new building units	13.4	1.9	38.0	26.7
External net sales	14.9	5.0	45.1	30.3
Inter-segment sales	4.9	7.6	11.5	22.2
Net sales	19.9	12.6	56.6	52.5
Comparable EBITDA	1.2	-0.7	0.9	1.4
EBITDA	0.7	-0.7	0.0	0.8
Comparable EBITDA margin, % ¹	8.1	-13.9	2.1	4.7
EBITDA margin, % ¹	4.5	-14.1	0.1	2.6

¹External sales

Performance in October-December 2020

External net sales in Business Area Permanent Space increased significantly due to the inclusion of November-December sales from Dutch Cabin Group to EUR 14.9 (5.0) million. For the same reason, comparable EBITDA increased to EUR 1.2 (-0.7) million, excluding EUR -0.5 (0.0) million of items affecting comparability.

The market has been characterised by continued slow decision-making during Q4 due to covid-19, and competition for tenders has increased. There has, however, been an uptick in tenders under the SKR frame

agreement in Sweden. In Sweden external net sales increased markedly in the quarter compared to last year.

In the Anneberg production facility, labour absence in Q4 was high due to sickness with a negative impact on volumes and unit costs. The operational efficiency program is giving effects and more are expected going forward.

In Finland, sales of new buildings were below last years. Price pressure in the market had a significant negative impact on margins and earnings.

Performance in January–December 2020

For the full year 2020, external net sales in Business Area Permanent Space increased significantly due to the inclusion of November–December sales from Dutch Cabin Group to EUR 45.1 (30.3) million. Comparable EBITDA decreased to EUR 0.9 (1.4) million, excluding EUR -0.9 (-0.6) million of items affecting comparability.

Personnel

At the end of 2020, the number of employees in Adapteo Group was 505 (372 on 31 December 2019), of which Dutch Cabin Group contributed with 146 persons.

Significant events after the reporting period

The acquisition of Stord Innkvartering was completed on 29 January 2021. A purchase price of NOK 677 million (approximately EUR 64 million) was paid in cash, and potential additional considerations may become payable in the future depending on Stord's future financial performance.

According to Morgan Stanley Capital International's (MSCI) latest set of ESG ratings, Adapteo has been

Full-year external net sales increased significantly in both Sweden and Finland, though pricing conditions remain very challenging. The Netherlands had an increase in net sales compared to last year, with market conditions not being severely impacted by the ongoing pandemic.

upgraded to AA status, rating the company a leader in its industry. An MSCI ESG rating is designed to measure a company's resilience to long-term, industry material environmental, social and governance (ESG) risks. Adapteo has thus taken a significant leap from its previous BBB rating.

Governance

Pursuant to the provisions of the Finnish Companies Act and Adapteo's Articles of Association, the management and governance of Adapteo are divided between the shareholders, the Board of Directors, and the President and CEO of the company. In addition, the Group Management Team assists the President and CEO in the operations of the company.

The shareholder participates in the governance of the company through resolutions passed at the General Meetings of Shareholders. A General Meeting of Shareholders is convened upon notice given by the

Board of Directors. In addition, a General Meeting of Shareholders is held when requested in writing by the company's auditor or by shareholders representing at least one-tenth of all the shares in order to discuss a certain matter.

The number of members of the Board of Directors of Adapteo is currently seven; Peter Nilsson as Chairman, and Carina Edblad, Outi Henriksson, Sophia Mattsson-Linnala, Andreas Philipson, Joakim Rubin, and Ulf Wretskog as members.

Current incentive schemes

On 13 February 2020 the Board of Directors of Adapteo resolved on launching a new long-term incentive plan for the performance period 2020–2022 (LTI 2020–2022). The LTI 2020–2022 is cash-based with a total length of three years and the maximum earning opportunity for the participants is expressed as a percentage of the individuals' annual base salary. Each possible cash reward corresponds to 1/3 of a participant's maximum LTI outcome under the performance period. Performance is evaluated based on Adapteo Group's Earnings Per Share ("EPS") in relation to a performance range from threshold to max level. Participants have the possibility to earn annual cash rewards following each evaluation period. To continuously be eligible for participation in any future LTI plans, the Board of Directors have expressed an expectation that the participants must invest any net cash rewards in Adapteo shares.

The LTI plan 2020–2022 consists of three evaluation periods:

- I. First evaluation period 2020: EPS for financial year 2020
- II. Second evaluation period 2020–2021: EPS for financial year 2021
- III. Third evaluation period 2020–2022: EPS for financial year 2022.

In the spring 2020, the Board of Directors of Adapteo announced its decision to utilise the authorisation given by the Annual General Meeting of 2020 to repurchase own shares, the repurchased shares being intended for honouring share-based incentive programs for employees of the company, granted before the carve-out from Cramo Plc. The repurchases ended on 4 June 2020. During this period, Adapteo repurchased 51,000 shares, corresponding to about 0.1 per cent of the total number of shares and votes.

On 11 June 2020 Adapteo transferred a net amount of 663 of its own shares held by the company as treasury shares without consideration to the participants of the employee share savings plan introduced for Cramo Group employees in 2016. After the share delivery, Adapteo held a total of 50,337 treasury shares on 30 June 2020, corresponding to about 0.1 per cent of the total number of shares and votes.

In addition, one of the Cramo's performance share plans was settled during the second quarter. The rewards were paid in both in Adapteo shares and cash. The participants were entitled to receive a gross amount of shares, but a portion of shares was withheld to cover

applicable taxes arising from the rewards to the participants. Taxes were paid on behalf of the participants and the participants received a net amount of shares. No Cramo shares were paid to the participants, instead the value of those Cramo shares were paid as cash to the participants based on the bidding price of Cramo of EUR 13.75 per share. The net amount of 9,685 Adapteo shares were purchased from the market by an outside service provider and paid to the plan participants on 15 April 2020.

Old employee share savings plans (One Cramo 2017-2018, One Cramo 2019) transferred from Cramo are

Risks and uncertainties

The fourth quarter of 2020 still saw Adapteo's customers being affected by the effects of the covid-19 pandemic. The overall picture is that all of Adapteo's business units have seen negative effects but that the impact on sales and earnings have not been significant. This reflects the resilience of Adapteo's business model with long-term rental contracts and the underlying demand, especially in the public sector, for adaptable buildings.

In business area Rental Space, all geographical markets have seen very low demand from the private sector. The events business came to a halt in mid-March and has shown very little activity since then. Demand for workers accommodation and office space has been low as many projects have been postponed or cancelled. Public-sector demand is normally at its lowest in the fourth quarter.

Adapteo has received orders for Rental Space due to the covid-19 situation from hospitals and care providers. Such orders have not had a significant impact on the Group's financial performance in the fourth quarter.

In business area Permanent Space, demand has been slower than anticipated with many customers postponing previously decided projects. In Sweden, however, Adapteo has seen a positive impact from its frame agreement with Sweden's Municipalities and Regions

treated as equity-settled and partly as cash-settled and the rewards are paid in both Adapteo and Cramo shares. During the second quarter 2020, it was decided that the part of rewards settled as Cramo shares were paid out to the participants on an accelerated schedule to the participants of Cramo's employee share savings plans. Cramo share part in the other old performance shares plans transferred from Cramo will be paid in cash according to the bid price EUR 13.75 per share according to the original plan schedule.

(Swe: SKR). Activity in Finland has felt the impact of the budgetary constraints that many municipalities face.

Since the outbreak of the covid-19 pandemic in Northern Europe in March 2020, Adapteo is monitoring its impact on markets, employees and business processes. Continuity plans are being continuously reviewed, processes are being optimised, and every activity is evaluated from a cost and risk perspective to mitigate the negative financial effects associated with the outbreak of covid-19 in the best possible way.

Adapteo makes financial forecasts on a monthly basis for all of its cash-generating units. These forecasts have not resulted in any asset impairments being identified. Nor have cashflow projections for the Group resulted in any doubt about the Group's ability to meet its future payment obligations.

Adapteo is consistent in its enterprise risk management with risk identification, risk assessment, risk management, risk monitoring and risk reporting. Further information on risks and risk management can be found in Annual Report 2019 or at www.adapteogroup.com. An update to these risks includes the continued impact of covid-19, which has been identified after the publication of the Annual Report 2019.

Dividend proposal

The Board of Directors proposes to the Annual General Meeting to decide on a dividend of EUR 0.12 (0.0) per share.

Auditors' review

The condensed financial information in this report is unaudited.

Financial calendar

- Annual Report 2020: 26 March 2021
- Annual General Meeting 2021: 19 April 2021
- Business Review Jan-Mar 2021: 4 May 2021
- Half-Yearly Report Jan-Jun 2021: 3 August 2021
- Business Review Jan-Sep 2021: 9 Nov 2021

Q4 presentation on 18 February 2021

A conference call with a presentation for investors, analysts, and media will be held at 09.00 CET (10.00 EET) on 18 February 2021. For details, please refer to www.adapteogroup.com/investors/financial-report/.

Annual report

The Annual Report will be available on the company's investor web pages (adapteogroup.com/investors/financial-report/) on 26 March 2021.

Annual general meeting

The Annual General Meeting of Adapteo Plc will be held on 19 April 2021, at 12 am CET (1 pm EET). To ensure compliance with the restrictions imposed by Finnish authorities due to the coronavirus, all shareholders are asked to follow the Annual General Meeting through a live webcast and to exercise their voting rights by using a centralized proxy representative service. The aim of the precautionary measures is to achieve resolutions from the

Annual General Meeting, while securing the health and safety of individual shareholders.

The agenda for the meeting and the proposed decisions and other documents submitted to the Annual General Meeting of Shareholders will be made available on Adapteo's website at least three weeks before the meeting.

Stockholm, 18 February 2021

On behalf of the Board of Directors of Adapteo Plc
Philip Isell Lind af Hageby
President and CEO, Adapteo Plc

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Adapteo in brief

Adapteo is a leading Northern European company for adaptable buildings. We build, rent out, and sell buildings for schools, daycare centres, offices, elderly care, worker accommodation, and events for both temporary and permanent needs.

Whatever the future brings, we believe that adaptability is the best solution. With our buildings, we can transform, repurpose, scale up and scale down in a matter of weeks by using a modular and circular building concept. Our buildings can be used for a few days or indefinitely, always optimised for current needs. That is how we build adaptable societies.

Adapteo is listed on Nasdaq Stockholm and operates in Sweden, Finland, Norway, Denmark, Germany, and the Netherlands. In 2020, Adapteo's net sales were EUR 231 million.

www.adapteogroup.com

FINANCIAL INFORMATION

Condensed annual financial information

Consolidated income statement

EUR thousands	Note	Oct-Dec 2020	Oct-Dec 2019	Full Year 2020	Full Year 2019
Net sales	4	65,344	49,579	231,351	216,213
Other operating income		1,218	2,801	3,521	5,395
Materials and services		-28,992	-15,719	-97,225	-78,901
Employee benefit expenses		-7,199	-8,857	-28,821	-33,089
Other operating expenses		-8,512	-8,172	-25,447	-33,538
Depreciation, amortisation and impairment		-13,266	-23,485	-46,603	-53,954
Share of profit of joint ventures		15	-5	5	16
Operating profit (EBIT)		8,607	-3,859	36,780	22,142
Finance income		3,233	2,048	6,829	3,037
Finance costs		-5,304	-3,588	-16,983	-10,787
Finance costs, net		-2,071	-1,540	-10,154	-7,750
Profit before taxes		6,536	-5,399	26,626	14,392
Income taxes		-787	-2,118	-7,701	-6,001
Profit for the period		5,749	-7,516	18,925	8,392
Attributable to owners of the parent		5,749	-7,516	18,925	8,392
Earnings per share, basic, EUR		0.13	-0.17	0.42	0.19
Earnings per share, diluted, EUR		0.13	-0.17	0.42	0.19

Consolidated statement of comprehensive income

EUR thousands	Oct-Dec 2020	Oct-Dec 2019	Full Year 2020	Full Year 2019
Profit for the period	5,749	-7,516	18,925	8,392
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Translation differences	15,554	5,423	11,632	-3,814
Other comprehensive income for the year, net of tax	15,554	5,423	11,632	-3,814
Total comprehensive income for the period	21,303	-2,093	30,557	4,578
Attributable to owners of the parent	21,303	-2,093	30,557	4,578

The above consolidated income statement and statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated balance sheet

EUR thousands	Note	31 December 2020	31 December 2019
ASSETS			
Non-current assets			
Property, plant and equipment	7	528,631	451,057
Goodwill		230,210	171,019
Other intangible assets		29,550	24,858
Investments in joint ventures		1,295	1,239
Deferred tax assets		5,081	7,414
Finance lease receivables	8	3,725	3,919
Loan receivables	8	154	220
Other receivables		13,605 ¹	746
Total non-current assets		812,251	660,471
Current assets			
Inventories		7,243	4,372
Finance lease receivables	8	2,698	4,314
Trade and other receivables		49,820 ¹	70,707
Income tax receivables		585	3,181
Derivative financial instruments		810	201
Cash and cash equivalents	8	54,804	3,760
Total current assets		115,960	86,537
TOTAL ASSETS		928,211	747,008
EQUITY AND LIABILITIES			
Total equity	6	258,068	190,186
Non-current liabilities			
Borrowings	8	489,042	410,488
Deferred tax liabilities		50,473	48,025
Derivative financial instruments		474	-
Provisions		1,258	263
Other liabilities		15,964 ¹	406
Total non-current liabilities		557,212	459,182
Current liabilities			
Borrowings	8	7,097	1,564
Trade and other payables		94,635 ¹	91,828
Income tax liabilities		8,766	3,530
Derivative financial instruments		2,434	718
Total current liabilities		112,932	97,639
Total liabilities		670,143	556,822
TOTAL EQUITY AND LIABILITIES		928,211	747,008

¹ Contract assets and contract liabilities were presented earlier as current receivables and liabilities. Starting from 30 Sep 2020 they have been classified as either current or non-current according to their maturity. In addition, contract assets and liabilities have been netted according to IFRS 15. Earlier periods have not been restated.

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

Attributable to owners of the parent

EUR thousands	Invested equity	Share capital	Treasury shares	Reserve for invested unrestricted equity	Retained earnings	Translation differences	Total equity
At 1 January 2019	214,487	-	-	-	-	140	214,627
Profit for the period	8,380	-	-	-	-	-	8,380
Other comprehensive income:							
Translation differences	-	-	-	-	-	-6,022	-6,022
Other comprehensive income	-	-	-	-	-	-6,022	-6,022
Total comprehensive income	8,380	-	-	-	-	-6,022	2,358
Share-based payments	-770	-	-	-	-	-	-770
Equity transactions with Cramo Group	19,712	-	-	-	-	-	19,712
Demerger at 30 June 2019	-241,809	10,000	-	67,799	115,513	-	-48,497
At 30 June 2019	-	10,000	-	67,799	115,513	-5,881	187,431
Changes after the demerger (1 July – 31 December 2019)							
Profit for the period	-	-	-	-	11	-	11
Other comprehensive income:							
Translation differences	-	-	-	-	-	2,206	2,206
Other comprehensive income	-	-	-	-	-	2,206	2,206
Total comprehensive income	-	-	-	-	11	2,206	2,217
Share-based payments	-	-	-	-	536	-	536
At 31 December 2019	-	10,000	-	67,799	116,060	-3,674	190,186
At 1 January 2020	-	10,000	-	67,799	116,060	-3,674	190,186
Profit for the period	-	-	-	-	18,925	-	18,925
Other comprehensive income:							
Translation differences	-	-	-	-	-	11,632	11,632
Other comprehensive income	-	-	-	-	-	11,632	11,632
Total comprehensive income	-	-	-	-	18,925	11,632	30,557
Share-based payments	-	-	-	-	17	-	17
Purchase of treasury shares	-	-	-376 ¹	-	-	-	-376
Share issue	-	-	-	38,547 ²	-863 ²	-	37,685
At 31 December 2020	-	10,000	-376	106,347	134,140	7,958	258,068

¹During Apr-Jun 2020 Adapteo repurchased own shares which were used for honouring share-based incentive plans for employees of the company. Shares were acquired through on Nasdaq Stockholm at the market price prevailing at the time of repurchase.

²Directed share issue in December 2020 increased the reserve for unrestricted equity reserve by EUR 38,547 thousand and costs related to share issue decreased the retained earnings, net of taxes, by EUR 863 thousand.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

EUR thousands	Full Year 2020	Full Year 2019
Cash flow from operating activities		
Profit before taxes	26,626	14,392
Adjustments		
Depreciation, amortisation and impairment	46,603	53,954
Share of profit of joint ventures	-5	-16
Other non-cash adjustments	62	-669
Net gain on sale of property, plant and equipment	-1,915	-3,267
Share-based payments	17	342
Finance costs, net	10,154	7,750
Cash generated from operations before changes in working capital	81,541	72,486
Change in working capital		
Change in inventories	-1,773	2,342
Change in trade and other receivables	23,778	-16,083
Change in trade and other payables	-16,793	30,973
Change in working capital	5,212	17,232
Change in finance lease receivables	3,477	2,271
Cash generated from operations before financial items and tax	90,230	91,989
Interest paid	-11,953	-6,677
Interest received	70	411
Other financial items, net	2,075	-2,983
Income taxes paid	-2,531	-2,614
Net cash inflow from operating activities	77,891	80,126
Cash flow from investing activities		
Payments for property, plant and equipment	-69,959	-76,604
Payments for intangible assets	-1,514	-424
Proceeds from sale of property, plant and equipment and intangible assets	7,407	12,392
Repayment of loan receivable from joint venture	72	-
Acquisition of subsidiaries and business operations, net of cash acquired	-56,427	-751
Net cash (outflow) from investing activities	-120,422	-65,386
Cash flow from financing activities		
Share issue	37,469	-
Purchase of treasury shares	-376	-
Proceeds from bank loans	461,075	453,000
Repayment of bank loans	-400,354	-439,832
Change in other current borrowings	-	-5,012
Lease payments	-4,238	-3,817
Repayments of demerger related liabilities to Cramo Plc	-	-28,514
Repayment of loans from Cramo Group	-	-12,248
Equity financing with Cramo Group, net	-	23,136
Net cash inflow from financing activities	93,576	-13,287
Change in cash and cash equivalents	51,045	1,453
Cash and cash equivalents at beginning of period	3,760	2,377
Exchange differences	-1	-70
Cash and cash equivalents at end of period	54,804	3,760

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the condensed annual financial information

1. Background

Adapteo Plc was established through the partial demerger of Cramo Plc on 30 June 2019 when all the assets, debts and liabilities belonging to Cramo's Modular Space business transferred to Adapteo Plc.

Financial information for January-December 2020 is based on the actual consolidated figures. The consolidated financial information for the year ended 31 December 2019 is a combination of actual consolidated financial information as from the demerger date 30 June 2019 and carve-out financial information prior to the demerger date.

The consolidated financial information is presented in thousands of euros except when otherwise indicated. Rounding differences may occur.

This condensed annual financial information is unaudited.

2. Basis of preparation and significant changes during the reporting period

This condensed annual financial information for 1 January to 31 December 2020 has been prepared in accordance with IAS 34 Interim Reporting, applying the same accounting policies, critical accounting estimates and judgements as in the audited consolidated financial statements as at and for the year ended 2020.

The financial position and performance of Adapteo as at and for the year ended 31 December 2020 were particularly affected by the following events and transactions:

- Acquisition of Dutch Cabin Group (DCG) completed on 29 October 2020 (see note 5).
- Operating expenses for the year ended 2020 include items affecting comparability of EUR 4.9 million consisting of costs related to preparations for the dual listing in Helsinki of EUR 0.6 million, acquisition and integration related expenses of EUR 2.8 million and restructuring costs of EUR 1.5 million.
- On 26 November 2020 Adapteo refinanced its loan facilities agreements. After the refinancing, the company has available long-term (36 months) facilities of EUR 530 million and a revolving credit facility of EUR 100 million.
- Adapteo made a directed issue on 10 December 2020 of 4.4 million shares. Net proceeds amounted to approximately SEK 386 million, approximately EUR 37 million, from the share issue. The number of shares in the company amounts to 49.1 million after the issue.

3. Covid-19 impacts on accounting

The fourth quarter of 2020 saw Adapteo's customers being affected by the effects of the covid-19 pandemic. The overall picture is that all of Adapteo's business units have seen negative effects but that the impact on sales and earnings have not been significant. This reflects the resilience of Adapteo's business model with long-term rental contracts and the underlying demand, especially in the public sector, for adaptable buildings.

Since the outbreak of the covid-19 pandemic in Northern Europe in March 2020, Adapteo is monitoring its impact on markets, employees and business processes. Continuity plans are being continuously reviewed, processes are being optimised, and every activity is evaluated from a cost and risk perspective in order to mitigate the negative financial effects associated with the outbreak of covid-19 in the best possible way.

Adapteo makes financial forecasts on a monthly basis for all of its cash-generating units. These forecasts have not resulted in any asset impairments being identified. Nor have cashflow projections for the Group resulted in any doubt about the Group's ability to meet its future payment obligations.

Adapteo is consistent in its enterprise risk management with risk identification, risk assessment, risk management, risk monitoring and risk reporting. Further information on risks and risk management can be found in Annual Report 2019 or at www.adapteogroup.com. An update to these risks includes the continued impact of covid-19, which has been identified after the publication of the Annual Report 2019.

4. Segment information

Adapteo offers rental of premium adaptable buildings and rental related services and sells new adaptable buildings. Adapteo's operations and profitability is reported as two operating segments, Business Area Rental Space and Business Area Permanent Space, which is consistent with the internal reporting and the way that operative decisions related allocation of resources and assessment of performance have been made by the Adapteo's group management team as Adapteo's chief operating decision maker. Adapteo has not aggregated its operating segments.

Adapteo reports its business area results using EBITDA and comparable EBITDA as the main operating measures. Business Area Rental Space includes the rental of adaptable buildings as well as the provision of assembly and other services. Business Area Permanent Space includes sales and long-term leasing of adaptable buildings.

The information below summarises financial information for both business areas:

EUR thousands	Rental Space	Permanent Space	Group functions	Eliminations	Group total
Oct-Dec 2020					
Net sales by business area					
Rental sales	34,847	1,208	-	-	36,055
Assembly and other services	15,523	300	-	-	15,823
Sales, new building units	46	13,420	-	-	13,466
Total external net sales	50,416	14,938	-	-	65,344
Inter-segment sales	19	4,941	-	-4,960	-
Net sales	50,435	19,879	-	-4,960	65,344
Comparable EBITDA	24,131	1,213	-1,359	239	24,195
Total items affecting comparability	-225	-537	-1,561	-	-2,322
EBITDA	23,907	676	-2,950	239	21,873
Depreciation, amortisation and impairment					-13,266
Operating profit (EBIT)					8,607

EUR thousands	Rental Space	Permanent Space	Group functions	Eliminations	Group total
Oct-Dec 2019					
Net sales by business area					
Rental sales	32,097	3,049	-	-	35,146
Assembly and other services	12,362	-	-	-	12,362
Sales, new building units	150	1,921	-	-	2,071
Total external net sales	44,609	4,970	-	-	49,579
Inter-segment sales	-	7,647	-	-7,647	-
Net sales	44,609	12,617	-	-7,647	49,579
Comparable EBITDA	22,602	-692	-1,250	-	20,659
Total items affecting comparability	33	-10	-1,047	-	-1,023
EBITDA	22,635	-702	-2,307	-	19,626
Depreciation, amortisation and impairment					-23,485
Operating profit (EBIT)					-3,859

EUR thousands	Rental Space	Permanent Space	Group functions	Eliminations	Group total
Full Year 2020					
Net sales by business area					
Rental sales	130,292	2,767	-	-	133,059
Assembly and other services	54,298	4,279	-	-	58,578
Sales, new building units	1,666	38,048	-	-	39,714
Total external net sales	186,256	45,104	-	-	231,351
Inter-segment sales	96	11,528	-	-11,624	-
Net sales	186,352	56,632	-	-11,624	231,351
Comparable EBITDA	91,265	943	-3,788	-129	88,262
Total items affecting comparability	-403	-911	-3,564	-	-4,878
EBITDA	90,862	33	-7,383	-129	83,383
Depreciation, amortisation and impairment					-46,603
Operating profit (EBIT)					36,780

EUR thousands	Rental Space	Permanent Space	Group functions	Eliminations	Group total
Full Year 2019					
Net sales by business area					
Rental sales	129,182	3,546	-	-	132,728
Assembly and other services	55,774	-	-	-	55,774
Sales, new building units	998	26,713	-	-	27,711
Total external net sales	185,954	30,259	-	-	216,213
Inter-segment sales	-	22,209	-	-22,209	-
Net sales	185,954	52,468	-	-22,209	216,213
Comparable EBITDA	92,342	1,409	-5,220	-	88,531
Total items affecting comparability	-1,179	-610	-10,646	-	-12,435
EBITDA	91,163	799	-15,866	-	76,096
Depreciation, amortisation and impairment					-53,954
Operating profit (EBIT)					22,142

Net sales by geographical area¹

EUR thousands	Full Year 2020	Full Year 2019
Finland	54,807	55,275
Sweden	120,163	114,499
Norway	6,475	9,448
Denmark	23,548	21,510
Germany	18,369	15,481
The Netherlands	7,891	-
Other	97	-
Total	231,351	216,213

¹ Net sales are presented based on the location of customers.

Assets by geographical area¹

EUR thousands	31 December 2020	31 December 2019
Finland	136,794	116,459
Sweden	442,053	429,004
Norway	23,646	17,904
Denmark	51,223	51,362
Germany	68,155	38,109
The Netherlands	85,145	-
Total	807,016	652,837

¹ Non-current assets other than deferred tax assets and loan receivables are presented based on the location of assets.

Net sales

The following table summarises the net sales breakdowns:

EUR thousands	Full Year 2020	Full Year 2019
Rental sales	133,059	132,728
Assembly and other services	58,578	55,774
Sales, new building units	39,714	27,711
Total	231,351	216,213

Timing of IFRS 15 revenue recognition:

EUR thousands	Full Year 2020	Full Year 2019
Products and services transferred at point in time	40,312	29,253
Services transferred over time	57,979	54,232
Total	98,291	83,485

Rental sales (IFRS 16)

The majority of revenue in Adapteo consists of rental sales generated from leases of adaptable building solutions with contract lengths varying from short-term event business rentals to longer-term, several year contracts to both municipalities and private customers. The primary customer segments include schools, daycares, offices, health and social care and exhibitions and fairs. Rental sales are derived from both adaptable buildings and accessories.

Assembly and other services (IFRS 15)

Assembly and other services include short-term services related to on- and off-site transportations, assembly and disassembly of building units, customisations as well as design, planning activities and other smaller service components such as seasonal services during the rental

period. The duration of assembly and disassembly services of adaptable buildings varies from a few days to several months. Other revenue-generating services include repair and maintenance services.

Sales, new building units (IFRS 15)

Sales, new building units consist of sale of new adaptable buildings. Adapteo provides tailor-made turnkey adaptable building solutions to both public and private customers. Customers can either buy or enter into a long-term leasing contract with an option to buy the adaptable building solution after the lease period. Sales, new building units also include the sale recognised in connection with these long-term rental agreements, fulfilling the criteria for finance leasing. Interest income related to finance leasing is presented as other operating income.

5. Acquisition of Dutch Cabin Group

On 5 October 2020, Adapteo entered into an agreement with George Holding B.V. to acquire Dutch Cabin Group ("DCG") by acquiring 100% of the shares. The closing of the acquisition took place on 29 October 2020.

The acquisition allows Adapteo to increase its pace of growth within Continental Europe. In addition, the increased geographic diversification and less dependency on the Nordic markets are considered as benefits from the transaction.

Dutch Cabin Group is a provider of rental and permanent building structures with more than 60 years of experience. DCG uses both internal and external supply sources. DCG's main market is Benelux countries and Northern Germany.

The purchase consideration is EUR 76.6 million of which EUR 62.5 million was paid in cash at the closing. The present value of the contingent component (earn-out) of the purchase price is EUR 14.0 million and it has

been recognised as a liability in the consolidated balance sheet. The contingent consideration is linked to the actual EBITDA in 2021 and 2022. The earn-out can result

in a total payment ranging from nil to EUR 18.0 million in total.

Purchase consideration:

EUR thousands

Purchase price paid at closing	62,545
Contingent consideration	14,028
Purchase consideration	76,573

EUR thousands

Opening balance sheet

ASSETS

Non-current assets

Property, plant and equipment	44,998
Other intangible assets	5,478
Finance lease receivables	1,355
Total non-current assets	51,831

Current assets

Inventories	929
Finance lease receivables	141
Trade and other receivables	11,811
Cash and cash equivalents	6,118
Total current assets	18,999

TOTAL ASSETS	70,830
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LIABILITIES

Non-current liabilities

Borrowings	18,828
Deferred tax liabilities	4,126
Total non-current liabilities	22,954

Current liabilities

Borrowings	2,860
Trade and other payables	19,759
Income tax liabilities	1,560
Total current liabilities	24,179

TOTAL LIABILITIES	47,133
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Net assets	23,697
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Purchase consideration	76,573
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Goodwill	52,877
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The table below represents details of the outflow of cash to acquire DCG:

EUR thousands

Cash consideration at closing	62,545
Acquired cash and cash equivalents	-6,118
Total	56,427

The fair value of acquired identifiable intangible assets at the date of acquisition was EUR 5.5 million comprising of customer relationships. The gross value of the acquired trade receivables was EUR 9.1 million, of which EUR 9.0 million is considered to be collectable. Residual goodwill amounts to EUR 52.9 million. Goodwill is not tax-deductible. The goodwill consists of workforce, market position, geographical coverage and expected future profits.

Acquisition related costs of EUR 1.9 million are included in other operating expenses in the consolidated

income statement and in net cash flow from operating activities in the statement of cash flows.

The acquired businesses contributed net sales of EUR 9.6 million and operating profit of EUR 1.4 million to Adapteo for the period from 29 October to 31 December 2020.

Adapteo's revenue would have been EUR 270.4 million and operating profit would have been EUR 42.6 million if the acquisition had been completed on 1 January 2020.

6. Equity

Adapteo announced on 10 December 2020 the result of the offering of new shares in a directed share issue to institutional and other qualified investors. Adapteo issued a total of 4,442,025 new shares and the shares were registered with the Finnish Trade register on 11

December 2020. Following the registration of the new shares, the total number of registered shares in the company is 49,124,722. Adapteo holds a total of 50,337 treasury shares on 31 December 2020.

Number of shares, share capital and reserve for invested unrestricted equity:

EUR thousands	Outstanding shares (pcs)	Share capital (EUR thousands)	Reserve for invested unrestricted equity (EUR thousands)
At 1 January 2020	44,682,697	10,000	67,799
Share issue	4,442,025	10,000	38,547
At 31 December 2020	49,124,722	10,000	106,347

7. Changes in property, plant and equipment

Adapteo's property, plant and equipment ("PPE") mainly consists of rental equipment including building units used in adaptable building leases and rental accessories. Other property, plant and equipment assets comprise buildings including offices and production facilities, capitalised costs of leasehold improvements, other

machinery and equipment including mainly production machinery, office equipment as well as assets under construction. Right-of-use assets (RoU assets) according to IFRS 16 have been reported within property, plant and equipment.

EUR thousands	Rental equipment	Other PPE assets	Total PPE
Net book value at 1 January 2020	425,537	25,521	451,057
Additions	62,644	15,334	77,978
Business acquisitions	26,895	18,103	44,998
Disposals	-5,977	-114	-6,091
Adjustments of RoU assets	-45	-1,232	-1,277
Depreciation	-38,013	-5,108	-43,121
Impairment	-262	-33	-295
Reclassifications	4,881	-8,213	-3,332
Exchange differences	8,270	445	8,715
Net book value at 31 December 2020	483,928	44,703	528,631

8. Net debt

The carrying values of Adapteo's borrowings and net debt:

EUR thousands	31 December 2020	31 December 2019
Non-current		
Bank loans	479,166	398,171
Collateralised loan	-	405
Lease liabilities	9,876	11,912
Total non-current borrowings	489,042	410,488
Current		
Bank loans	3,224	-
Collateralised loan	-	45
Lease liabilities	3,873	1,519
Total current borrowings	7,097	1,564
Total borrowings	496,139	412,052
Less:		
Loan receivables	-154	-220
Finance lease receivables	-6,423	-8,233
Cash and cash equivalents	-54,804	-3,760
Net debt	434,758	399,839

For borrowings, the fair values are not materially different to their carrying amounts since the contractual interest on borrowings is close to current market rates. For other financial assets and liabilities, carrying values correspond to fair values.

In November 2020 Adapteo signed a EUR 530 million term loan and a EUR 100 million revolving credit facility. The committed facility was used to refinance EUR 400 million term loan as well as EUR 63 million drawn revolving credit facility. The new loan agreement contains quarterly monitored financial covenants which the company is fully compliant with. The EUR 530 million term loan was not fully drawn down as of 31 December

2020 and has a maturity of three years. At the end of 2020 the EUR 100 million RCF was fully undrawn.

Adapteo's liquidity and funding position remains to be at a good level. Cash and cash equivalents amounted to EUR 54.8 million. In addition, Adapteo has a EUR 20 million overdraft facility until further notice which was unused as of 31 December 2020.

In December 2020 the Board used the mandate from the 2020 Annual General Meeting to make a share issue. 4.4 million shares were sold at SEK 89 per share, adding approximately net EUR 37 million to Adapteo's cash and cash equivalents.

9. Commitments and contingent liabilities

Adapteo had the following off-balance sheet commitments:

EUR thousands	31 December 2020	31 December 2019
Guarantees and commitments given on behalf of Group companies	2,693	1,254
Investment commitments	11,325	12,260
Buy-back obligations	3,511	-
Collateral given		
Pledges	14,614	-
Other collateral	5,062	482
Debts, secured by collateral		
Loans	19,676	450

10. Related party transactions

Adapteo Plc's related parties include its subsidiaries as well as a joint venture. Related parties also include key management personnel and their close family members as well as entities controlled by these persons. Key management personnel include Adapteo's group management team and the members of the Board of Directors.

Prior the demerger date 30 June 2019 Adapteo's related parties included Cramo Plc and Cramo Group companies other than Adapteo entities. Transactions with Cramo Group before the demerger date are presented as related party transactions. At the date of the demerger and after the demerger, transactions with Cramo Group are not classified as related party transactions. Related party transactions were:

EUR thousands	Full Year 2020	Full Year 2019
Interest income on loan receivable from joint venture	8	11
Net sales (Cramo Group companies)	-	100
Purchases (Cramo Group companies)	-	333
Interest expenses (Cramo Group companies)	-	-865

EUR thousands	31 December 2020	31 December 2019
Loan receivable from joint venture	154	220

11. Share-based incentive plans

In the spring 2020, the Board of Directors of Adapteo Plc announced that its decision to utilise the current authorisation given by the Annual General Meeting (AGM) to repurchase own shares and the repurchased shares will be used for honouring share-based incentive programs for employees of the company, granted before the demerger from Cramo Plc. The repurchases ended on 4 June 2020. During this period, Adapteo repurchased 51,000 shares, corresponding to about 0.1 per cent of the total number of shares and votes.

On 11 June 2020 Adapteo Plc transferred a net amount of 663 of its own shares held by the company as treasury shares without consideration to the participants of the employee share savings plan introduced for Cramo Group employees in 2016. After the share delivery, Adapteo holds a total of 50,337 treasury shares on 30 June 2020, corresponding to about 0.1 per cent of the total number of shares and votes.

In addition, one of the Cramo's performance share plans was settled during the second quarter. The rewards were paid in both in Adapteo shares and cash. The participants were entitled to get a gross amount of shares, but a portion of shares was withheld to cover

applicable taxes arising from the rewards to the participants. Taxes were paid on behalf of the participants and the participants received a net amount of shares. No Cramo shares were paid to the participants, instead the value of those Cramo shares were paid as cash to the participants based on the bidding price of Cramo of EUR 13.75 per share. The net amount of 9,685 Adapteo shares were purchased from the market by an outside service provider and paid to the plan participants on 15 April 2020.

Old employee share savings plans (One Cramo 2017-2018, One Cramo 2019) transferred from Cramo are treated as equity-settled and partly as cash-settled and the rewards are paid in both Adapteo and Cramo shares. During the second quarter 2020, it was decided that the part of rewards settled as Cramo shares were paid out to the participants on an accelerated schedule to the participants of Cramo's employee share savings plans. Cramo share part in the other old performance shares plans transferred from Cramo will be paid in cash according to the bid price EUR 13.75 per share according to the original plan schedule.

12. Events after the reporting period

The acquisition of Stord Innkvartering was completed on 29 January 2021. A purchase price of NOK 677 million (approximately EUR 64 million) was paid in cash, and potential additional considerations may become payable

in the future depending on Stord's future financial performance.

Appendix 1 – Reconciliation of certain key figures

Specification of Items affecting comparability	Oct-Dec 2020	Oct-Dec 2019	Full Year 2020	Full Year 2019
EUR thousands				
Items affecting comparability				
Costs related to the listing	-9	70	606	8,078
Acquisition and integration related expenses	1,569	659	2,772	2,278
Restructuring costs	762	294	1,500	2,079
Items affecting comparability in operating profit (EBIT)	2,322	1,023	4,878	12,435
Total items affecting comparability	2,322	1,023	4,878	12,435

Reconciliation of Comparable EBITDA	Oct-Dec 2020	Oct-Dec 2019	Full Year 2020	Full Year 2019
EUR thousands				
Operating profit (EBIT)	8,607	-3,859	36,780	22,142
Depreciation, amortisation and impairment	13,266	23,485	46,603	53,954
EBITDA	21,873	19,626	83,383	76,096
Items affecting comparability in EBIT	2,322	1,023	4,878	12,435
Comparable EBITDA	24,195	20,649	88,262	88,531

Reconciliation of Comparable EBITA	Oct-Dec 2020	Oct-Dec 2019	Full Year 2020	Full Year 2019
EUR thousands				
Operating profit (EBIT)	8,607	-3,859	36,780	22,142
Amortisation of intangible assets resulting from acquisitions	732	656	2,708	2,639
EBITA	9,339	-3,203	39,488	24,781
Items affecting comparability in EBIT	2,322	1,023	4,878	12,435
Comparable EBITA	11,661	-2,180	44,366	37,216

Reconciliation of Operating cash flow before growth capex	Oct-Dec 2020	Oct-Dec 2019	Full Year 2020	Full Year 2019
EUR thousands				
Comparable EBITDA	24,195	20,649	88,262	88,531
Change in net working capital	6,575	21,980	5,212	17,232
Maintenance capex	-11,177	-23,594	-27,137	-30,256
Non-fleet capex	-1,163	-39	-2,470	-9,854
Operating cash flow before growth capex	18,429	18,996	63,867	65,653

Calculation of Earnings per share	Oct-Dec 2020	Oct-Dec 2019	Full Year 2020	Full Year 2019
Profit for the period, EUR thousands	5,749	-7,516	18,925	8,392
Average number of shares, pcs ¹	45,635,398	44,682,697	44,904,000	44,682,697
Earnings per share, EUR	0.13	-0.17	0.42	0.19

¹ Number of Adapteo shares issued as demerger consideration of 44,682,697 used for all periods presented prior to the demerger. Treasury shares are excluded in average number of shares.

Reconciliation of Comparable earnings per share	Oct-Dec 2020	Oct-Dec 2019	Full Year 2020	Full Year 2019
EUR thousands or as indicated				
Profit for the period	5,749	-7,516	18,925	8,392
Total items affecting comparability	2,322	1,023	4,878	12,435
Impairment loss on property, plant and equipment	-	8,691	-	8,691
Related income tax impact	-476	-207	-997	-2,514
Comparable profit for the period	7,596	1,991	22,806	27,004
Average number of shares, pcs ¹	45,635,398	44,682,697	44,904,000	44,682,697
Comparable earnings per share, EUR	0.17	0.04	0.51	0.60

¹ Number of Adapteo shares issued as demerger consideration of 44,682,697 used for all periods presented prior to the demerger. Treasury shares are excluded in average number of shares.

Reconciliation of Net debt/Comparable EBITDA	31 December 2020	31 December 2019
EUR thousands or as indicated		
Net debt	434,758	399,839
Comparable EBITDA	88,262	88,531
Net debt/Comparable EBITDA	4.9	4.5

Reconciliation of Operative ROCE	31 December 2020	31 December 2019
EUR thousands or as indicated		
Net working capital	-41,189	-16,672
Property plant and equipment	528,631	451,057
Investments in joint ventures	1,295	1,239
Operative capital employed total	488,737	435,624
Comparable EBITA	44,366	37,216
Operative ROCE, %	9.1	8.5

Pro forma

Reconciliation of Comparable EBITDA, pro forma	Full Year 2020
EUR thousands	
Operating profit (EBIT)	42,601
Depreciation, amortisation and impairment	49,745
EBITDA	92,346
Items affecting comparability in EBIT	5,885
Comparable EBITDA	98,231

Appendix 2 – Calculation of key figures

Key figure	Definition	Reason for the use
Net sales growth in constant currency	Net sales growth between financial years in reporting period's foreign exchange rates.	Net sales growth in constant currency presents the development of Adapteo's net sales excluding the effect of foreign exchange rate fluctuations.
Rental sales growth in constant currency	Rental sales growth between financial years in reporting period's foreign exchange rates.	Rental sales growth in constant currency presents the development of Adapteo's rental sales excluding the effect of foreign exchange rate fluctuations.
Operating profit (EBIT) ¹	Operating profit (EBIT) as presented in the consolidated income statement	Operating profit (EBIT) shows result generated by the operating activities.
EBITDA ¹	Operating profit (EBIT) + depreciation, amortisation and impairment	EBITDA is the indicator to measure the performance of Adapteo. EBITDA also provides a proxy for cash flow generated by operations.
Comparable EBITDA ¹	EBITDA + items affecting comparability	Comparable EBITDA is presented in addition to EBITDA to reflect the underlying business performance and to enhance comparability from period to period. The Company believes that this comparable performance measure provides meaningful supplemental information by excluding items outside normal business, which reduce comparability between the periods. Additionally, comparable EBITDA is one of Adapteo's long-term financial targets.
Items affecting comparability	Material items outside ordinary course of business, such as costs related to the listing, acquisition and integration related expenses, restructuring expenses including redundancy payments, impairment losses on goodwill and intangible assets recognised in business acquisitions, and gains and losses on business disposals.	
Comparable EBITA ¹	Operating profit (EBIT) + amortisation and impairment on intangible assets resulting from acquisitions + items affecting comparability	
Net capex	Additions to property, plant and equipment + additions to other intangible assets - disposals of rental equipment and rental accessories at net book value	Net capex presents the net amount of investments made.
Net fleet capex	Additions to rental equipment + additions to rental accessories – disposals of rental equipment and rental accessories at net book value	Net fleet capex presents investments into new building units, net of disposals.
Growth capex	Additions to rental equipment + additions to rental accessories – reinvestment capex – capex relating to building unit upgrades	Growth capex distinguishes investments related to growing the rental portfolio. Maintenance capex distinguishes the portion of net investments to the building portfolio required to maintain the size of the building portfolio after disposals, as well as to maintain technical quality to meet regulatory and customer requirements.
Maintenance capex	Reinvestment capex + capex relating to building unit upgrades - disposals of rental equipment and rental accessories at net book value	
Non-fleet capex	Additions to land, buildings, other machinery and equipment and assets under construction + additions to other intangible assets	Non-fleet capex distinguishes investments into the operating platform. Reinvestment capex distinguishes the portion of investments made to maintain the size of fleet. Capex breakdowns provide further transparency and enable better evaluation of company's cash flows and earnings.
Reinvestment capex	Disposed square meters of building units multiplied by average investments in building units per square meter for the period	
Operating cash flow before growth capex	Comparable EBITDA +/- change in net working capital as presented in	Operating cash flow before growth capex indicates the amount of operational cash flow

Key figure	Definition	Reason for the use
	cash flow statement – maintenance capex – non-fleet capex	that is largely available for value creative investments, such as growing the building portfolio.
Cash conversion before growth capex	Operating cash flow before growth capex / comparable EBITDA	Cash conversion before growth capex indicates the proportion of comparable EBITDA, which remains after maintenance capex, non-fleet capex and investments to working capital are accounted for.
Net debt	Non-current and current borrowings - cash and cash equivalents – loan receivables - non-current and current finance lease receivables	Net debt is an indicator to measure the total external debt financing of Adapteo.
Net debt / Comparable EBITDA	Net debt as at the balance sheet date / comparable EBITDA for the last 12 months	The ratio of net debt to comparable EBITDA helps to show financial risk level and it is a useful measure for management to monitor the company's indebtedness in relation to its earnings and is one of Adapteo's long-term financial targets.
Operative ROCE	Comparable EBITA for the last 12 months / (property, plant and equipment + investment in joint ventures + net working capital as at the balance sheet date) Net working capital = Non-current other receivables + inventories + trade and other receivables – non-current other liabilities – non-current and current provisions – trade and other payables	Internal measure to evaluate return on capital employed and to analyse and compare different businesses and opportunities taking into account capital required. This ratio is also one of Adapteo's long-term financial targets.
Utilisation rate	Average rented building units during the period divided by total building units available	Utilisation rate presents how large a portion of the portfolio has on average been on rent. Utilisation rate is a useful indicator to monitor the efficiency of fleet management.
Total sqm in building portfolio	-	Total square meters in building portfolio is a useful indicator to monitor the size of the rental portfolio.
Earnings per share	Profit for the period / average number of Adapteo's outstanding shares (number of Adapteo shares issued as a demerger consideration (44,682,697 pcs) used for all periods presented prior to the demerger date)	
Comparable earnings per share	Profit for the period excluding items affecting comparability, net of taxes and material impairment losses on property, plant and equipment, net of taxes / average number of Adapteo's outstanding shares (number of Adapteo shares issued as a demerger consideration (44,682,697 pcs) used for all periods presented prior to the demerger date)	

¹ Corresponding margin has been calculated by dividing the measure with net sales

Adapteo.