BUSINESS REVIEW

January–September 2019

Adapteo is a leading Northern European provider of modular space solutions. We offer premium modular space solutions to schools, daycare centres, offices, accommodation and events for temporary and permanent needs.

Adapteo.

Stable profit development despite market slowdown

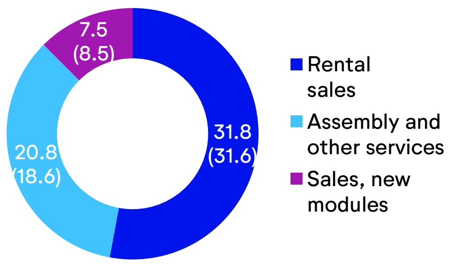
The amounts in the following financial highlights and review are presented on a pro forma basis unless otherwise indicated.

July–September 2019

- Rental sales amounted to EUR 31.8 (31.6) million. In constant currencies, rental sales grew by 2%.
- Net sales amounted to EUR 60.1 (58.7) million. In constant currencies, Net sales grew by 4%.
- Comparable EBITDA was EUR 23.1 (23.1) million. Comparable EBITDA margin was 38.4% (39.4).
- Operating profit (EBIT) decreased to EUR 12.0 (14.4) million, representing 19.9% (24.6) of Net sales. Operating profit (EBIT) included items affecting comparability of EUR 1.7 (0.1) million.
- Operating cash flow before growth capex was EUR -0.5 (7.1) million. A EUR 17.8 million cash was tied up in net working capital during the third quarter 2019 in connection to the implementation of the new ERP-system. [1]
- Growth capex was EUR 2.5 (3.6) million.[1]
- Earnings per share was EUR 0.17 (0.20).

[1] On a carve-out basis

Net sales, Jul–Sep 2019, EUR million

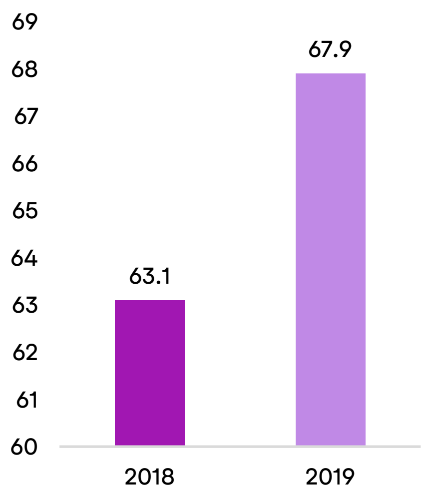


January–September 2019

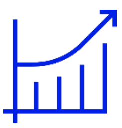
- Rental sales amounted to EUR 97.6 (93.8) million. In constant currencies, rental sales grew by 6%.
- Net sales amounted to EUR 166.6 (165.1) million. In constant currencies, Net sales grew by 3%.
- Comparable EBITDA was EUR 67.9 (63.1) million, up by 8%. Comparable EBITDA margin was 40.7% (38.2).
- Operating profit (EBIT) decreased to EUR 26.0 (36.9) million, representing 15.6% (22.4) of Net sales. Operating profit (EBIT) included items affecting comparability of EUR 11.4 (0.9) million.
- Operative return on capital employed (ROCE) amounted to 11.7% (12.1% on 31 Dec 2018)
- Net debt to comparable EBITDA was 4.6x.
- Operating cash flow before growth capex was EUR 46.7 (34.8) million. [1]
- Growth capex was EUR 24.8 (29.0) million.[1]
- Earnings per share was EUR 0.36 (0.54).

[1] On a carve-out basis

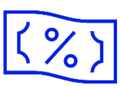
Comparable EBITDA, Jan–Sep, EUR millions



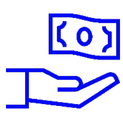
Long-term financial targets



Double-digit comparable EBITDA growth



Operative ROCE > 10%



Net debt/comparable EBITDA 3.5—4.5x

Significant events during the third quarter

- Total fleet size of Adapteo exceeded one million square meters during the third quarter with the fleet standing at 1,012,226 square meters at the end of the quarter.
- Adapteo introduced Adapteo.Hybrid, combining the advantages of wood and steel to the German market during the third quarter.
- In Business Area Rental Space, we secured important projects with strategic customers — Akershus municipality in Norway and Helsinki municipality in Finland.
- Business Area Permanent Space delivered its first building to Norway and continued expansion in Finland.
- On 20 September Adapteo announced that it will have a new industry classification as from 23 September, 2019. The new ICB classification industry code is 8000, Financials and Sub sector code: 8600, Real Estate & Development.
- On 29 August Adapteo announced a change in the Group Management Team of Adapteo. Jan Isgård was appointed as interim Executive Vice President Business Area Permanent Space. He assumed the position from 2 September 2019 and hold it until Mr. Magnus Tinglöf assumes the position as Executive Vice President Permanent Space on 16 December 2019.

Key figures

EUR millions or as indicated	Jul–Sep 2019	Jul–Sep 2018	Jan–Sep 2019	Jan–Sep 2018	Full year 2018
Net sales	60.1	58.7	166.6	165.1	220.6
Net sales growth in constant currency, %	4.3	–	2.6	–	–
Rental sales	31.8	31.6	97.6	93.8	128.8
Rental sales growth in constant currency, %	1.9	–	5.6	–	–
Comparable EBITDA[1]	23.1	23.1	67.9	63.1	83.6
Comparable EBITDA margin, %[1]	38.4	39.4	40.7	38.2	37.9
EBITDA	21.4	23.0	56.5	62.1	78.4
EBITDA margin, %	35.6	39.2	33.9	37.6	35.5
Comparable EBITA[1]	14.3	15.2	39.4	39.9	50.6
Comparable EBITA margin, %[1]	23.8	25.9	23.6	24.2	22.9
Operating profit (EBIT)	12.0	14.4	26.0	36.9	42.6
Operating profit (EBIT) margin, %	19.9	24.6	15.6	22.4	19.3
Profit for the period	7.5	9.1	16.1	24.0	28.3
Earnings per share, EUR	0.17	0.20	0.36	0.54	0.63
Comparable earnings per share, EUR[1]	0.20	0.21	0.56	0.55	0.73
Net debt/comparable EBITDA[1]	–	–	4.6	–	–
Operative ROCE, %[1]	–	–	11.7	–	12.1
Operating cash flow before growth capex[1]	-0.5	7.1	46.7	34.8	57.6
Cash conversion before growth capex, %[1]	-2.1	44.5	68.7	78.5	93.3
Growth capex[1]	2.5	3.6	24.8	29.0	46.7
Total sqm of modules	1,012,226	949,152	1,012,226	949,152	970,447
Utilisation rate, %	84.8	84.9	85.1	85.1	85.3
Average rent per sqm (€/year)[1]	152.8	156.1	154.3	160.5	162.8

[1] On a carve-out basis, Comparable EBITDA, comparable EBITA and comparable EBIT are restated for January–June 2019, see page 21, Net debt is based on Adapteo's real balance sheet not on a carve-out basis in 2019, 2018 on carve-out bases.

CEO Comments

Stable profits in the quarter

Despite a lower market activity in our main markets during the year, which impacted our growth, we delivered a stable profit development in the third quarter. We also saw a lower degree of rental contract extensions in the market, leading to higher project return flows and price pressure, mainly driven by the public sector.

The slower market development has led to less new rental starts; therefore, Business Area Rental Space saw a flat development. In our Business Area Permanent Space, we have seen the same tendencies in the public sector, but a more favourable demand from the private sector.

Geographic expansion within Business Area Permanent Space

We continued our geographic expansion during the quarter within Business Area Permanent Space where we delivered our first building to Norway and continued our successful expansion in Finland. During the quarter, Business Area Rental Space introduced a new solution for the German market, the Adapteo.Hybrid. The solution combines the advantages of wood and steel in the same construction enabling high energy efficiency and offers excellent exterior design with premium indoor climate. The first building has already been delivered, to the great appreciation of the customer. In Finland, we continue our fleet renewal initiative, replacing old modular systems with our premium C90 solutions. This will generate higher future rental income and strengthen our long-term competitiveness.

Strategic new agreements

Within the Business Area Rental Space, we secured important projects with strategic customers — in Norway with Akershus municipality and with Helsinki city in Finland. Within Business Area Permanent Space, several new projects where sold, most notably daycare centres projects in Valdemarsvik and Sundbyberg municipalities in Sweden.

Our total portfolio of rentable square meters exceeded one million during the quarter, with a stable and close to optimal utilization rate of 85% for the period. The average rent per square metres in constant currencies for January to September was EUR 154 compared to EUR 158 in the previous year.

Operational excellence delivers improvements

In the second quarter, we launched an operational excellence program with the purpose to enhance efficiency across the Group. We continued our improvements in Business Area Permanent Space with a dedicated focus on LEAN production, direct material sourcing, standardization of product structure, improvement in procurement processes and organisational efficiency. The initiatives have already delivered improvements in our manufacturing network as well as extracted sourcing related savings. Worth mentioning, a EUR 17.8 million cash was tied up in Net working capital during the third quarter 2019 in connection with the implementation of the new ERP-system. The integration of Nordic Modular Group acquisition continues according to plan, with total annual synergies in the range of EUR three to four million to be realised in 2020.

Favourable structural drivers

The low market activity we have seen during the year is now expressed in lower revenues during the third quarter, with impact on quarters ahead. Meanwhile, the needs in the public sector remains and our long-term view of the market development stays unchanged. An old and ageing building stock with substantial renovation needs, urbanization, demographic changes, growing number of pupils and enrolled children in daycare centres, a growing elderly population, as well as an underlying penetration where modular buildings become increasingly appreciated, are examples of market drivers that will create persistent demand for our solutions, today and tomorrow.

We continue to work close to our current and prospective customers to gain deeper understanding of their needs and challenges to secure our relevance in the market. At the same time, we consistently develop our commercial offering, pricing tactics and customer service to stay ahead of the competition, build strong partnerships and become the most customer-oriented company in the industry.

Philip Isell Lind af Hageby
President and CEO

Market outlook

Adapteo's business operations are dependent on the development of the rental and sales markets. Overall, the company estimates that the demand for modular space solutions will continue to be supported by structural market drivers such as an ageing building stock, urbanization, demographic changes as well as the increasing need for social infrastructure due to a growing number of children and elderly people. Our mid-term market outlook remains positive for both Business Areas, with strong underlying and low cyclical needs driving the demand. The rental market is expected to grow over 10 per cent in Finland and Denmark and 5 to 10 per cent in Sweden, Norway and Germany. During the year of 2019, public market activity has been lower than usual in Sweden with the number of new public tenders being historically low, but municipalities' long-term need for schools and day care centres remains. Also, in Finland public market activity was lower than usual during the first part of the year, but from the beginning of Q3 started increasing market demand has continued. In the Business Area Permanent Space, the total market is expected to grow 5 to 10 per cent (including residential customer segment) and Adapteo's core sales market (mainly social infrastructure and office customer segments) is expected to grow over 10 per cent. The market in Sweden for Business Area Permanent Space core segments School and Day care have shown a downturn in 2019 but current outlook for 2020 is positive. Market in Finland is indicating strong demand mainly for long-term rentals. The outlook for Norway is positive.

Group performance

The following financial information is presented on a pro forma basis unless otherwise indicated.

Net sales, pro forma

EUR millions	Jul–Sep 2019 (actual)	Jul–Sep 2018	Jan–Sep 2019	Jan–Sep 2018	Full Year 2018
Rental sales	31.8	31.6	97.6	93.8	128.8
Assembly and other services	20.8	18.6	43.4	44.6	55.4
Sales, new modules	7.5	8.5	25.6	26.7	36.4
Total	**60.1**	**58.7**	**166.6**	**165.1**	**220.6**

January–September 2019

Adapteo's Net sales for January–September remained at the previous year's level at EUR 166.6 (165.1) million. In constant currencies, the Net sales grew by 3% compared to the corresponding period last year. Rental sales grew by 6% in constant currencies. In Sweden, the private market remained stable, but the public market activity has been lower than usual with the number of new public tenders being historically low. In Finland, the utilisation rate and prices per square meter remained stable, but public market activity for new rentals has been lower than usual during the first part of the year. However, during the third quarter demand for new rentals picked up towards the end of the period. In Denmark, Net sales decreased during January–September mainly due to low assembly and disassembly levels during the first half of the year whereas there was a large delivery and several other projects during the comparison period. In Germany, Net sales decreased in comparison with last year despite a strong first quarter with successful BAUMA fair sales. Utilisation rate of the total fleet stood stable at 85% and average rent per square meter declined from EUR 158 in the previous year to EUR 154 in constant currencies.

Result, pro forma

January–September 2019

Adapteo's comparable EBITDA for January–September grew by 8% to EUR 67.9 (63.1). The comparable EBITDA margin increased to 40.7% (38.2). Development in Sweden, Denmark and Germany had a positive effect on profitability.

The depreciation, amortization and impairment on PPE and intangibles totalled EUR 30.5 (25.2) million during January–September. Amortization resulting from acquisitions was EUR 2.0 (2.1) million during January–September.

Operating profit (EBIT) amounted to EUR 26.0 (36.9) million. Operating profit (EBIT) included items affecting comparability of EUR 11.4 (0.9) million. EUR 8.0 million were related to the costs regarding the listing of Adapteo, EUR 1.8 million to the restructuring related to the NMG and EUR 1.6 million were expenses related to integration of NMG. During the comparison period, items affecting comparability included costs regarding the listing of Adapteo of EUR 0.1 million and NMG acquisition related expenses of EUR 0.8 million. Net financial expenses were EUR -6.0 (-6.4) million. January–September profit before taxes totalled EUR 20.0 (30.5) million and profit for the period was EUR 16.1 (24.0) million. Earnings per share was EUR 0.36 (0.54).

The adoption of the new leasing standard IFRS 16 on 1 January 2019 had a positive effect of EUR 2.7 million on comparable EBITDA and increased Net debt by EUR 13.7 million.

Capital expenditure

Adapteo's January–September net capex totalled EUR 41.3 (39.6) million. Net fleet capex amounted to EUR 31.5 (36.2) million and growth capex amounted to EUR 24.8 (29.0) million. Growth capex decreased due to reinvestments required to replace the relatively high number of modules disposed during the reporting period. The disposed C30 modules are replaced with modern C90 modules which will generate higher rental income in the future. Investments in new rental modules required for growth were made in Sweden, Finland, Denmark and Germany. The right-of-use assets according to IFRS 16 amounted to EUR 13.7 million at the end of the period.

Cash flow, financing and balance sheet, actual/carve-out

In January–September, cash flow from operating activities improved and amounted to EUR 42.8 (37.2) million. Operating cash flow before growth capex totalled EUR 46.7 (34.8) million. EUR 17.8 million cash was tied up in net working capital during the third quarter 2019 in connection with the implementation of the new ERP-system. Net cash flow used in investing activities totalled EUR 43.1 (40.7) million.

On 30 September 2019, borrowings totalled EUR 424.4 million (on 31 December 2018 EUR 380.6 million). Net debt totalled EUR 414.0 million (on 31 December 2018 EUR 367.2 million). Net debt to comparable EBITDA was 4.6x. Cash and cash equivalents amounted to EUR 0.9 million (on 31 December 2018 EUR 2.4 million).

Adapteo has a EUR 500,000,000 loan agreement that consists of a EUR 400,000,000 term loan and a EUR 100,000,000 revolving credit facility. The repayment date of the facilities is in 2022 but, at the consent of the lenders, the maturity of the revolving credit facility can be extended by twelve months. The loan agreement contains two financial covenants: leverage ratio and interest coverage ratio. The first review date of the covenants was at the end of the third quarter. The EUR 400,000,000 term loan was drawn on 1 July 2019 and used to refinance the debts transferred from Cramo at the demerger. At the end of the review period the EUR 100,000,000 revolving credit facility was fully undrawn.

Property, plant and equipment amounted to EUR 445.8 million (on 31 December 2018 EUR 423.3 million) of the balance sheet total at the end of the review period. Total assets were EUR 742.6 million (on 31 December 2018 EUR 708.7 million).

Operative return on capital employed (ROCE) for January–September amounted to 11.7% (12.1% on 31 December 2018 on a pro forma basis). Adapteo's long-term financial target is to have operative ROCE above 10%.

Business area performance, pro forma

Adapteo has two primary business areas: Business Area Rental Space and Business Area Permanent Space. It has operations in five geographical areas: Sweden, Finland, Norway, Denmark and Germany. Business Area Rental Space includes the rental of modular space solutions as well as the provision of assembly and other services. Business Area Permanent Space includes sales and long-term leasing of modular space solutions.

Business Area Rental Space

In Business Area Rental Space, Adapteo provides modular space solutions to different types of customers, predominantly public-sector customers such as states and municipalities, as well as private sector customers such as industrial companies and private enterprises. Adapteo offers modular space solutions primarily relating to the social infrastructure such as schools, day care centres and health and social care, as well as offices, exhibitions and other temporary needs. The majority of Rental Space Business Area's customers operate in the public sector.

Pro forma

EUR millions or as indicated	Jul–Sep 2019 (actual)	Jul–Sep 2018	Jan–Sep 2019	Jan–Sep 2018	Full Year 2018
Rental sales	31.4	31.6	97.1	93.8	128.8
Assembly and other services	20.8	18.6	43.4	44.6	55.4
Sales, new modules	–1.3[1]	0.5	0.8	0.7	0.6
Net sales	50.9	50.7	141.3	139.1	184.8
Comparable EBITDA	23.1	21.7	69.7	62.1	84.7
EBITDA	22.8	21.7	68.5	62.1	84.7
Comparable EBITDA margin, %	45.3	42.9	49.3	44.6	45.8
EBITDA margin, %	44.7	42.9	48.5	44.6	45.8

[1] Accounting policy has been specified. Previously presented internal sales between Rental Space and Permanent Space have been moved to be presented entirely within Rental Space during Q3 2019.

Performance in January–September

Business Area Rental Space's January–September Net sales grew by 2% to EUR 141.3 (139.1) million. Rental sales increased by 4%, while assembly and other services decreased by 3%. In Sweden, the private market activity remained stable, but the public market activity has been slower than expected. Due to lower demand for new rentals Adapteo's fleet in Sweden has grown at a slower pace compared to the previous years, which is seen as a negative development in rental sales. Utilisation rate has remained relatively stable compared to the previous year. In Finland, the utilisation rate and prices per square meter have also remained stable. Demand for new rentals decreased during the second quarter but picked up during the third quarter. In Denmark, rental sales were at the previous year's level whereas sales in assembly and other services grew driven mainly by large disassembly projects. In Germany, Net sales remained at the previous year's level with rental sales being slightly higher than in the previous year. In Norway, Net sales remained at the previous year's level driven by higher assembly and other services sales.

Comparable EBITDA grew by 12% to EUR 69.7 (62.1) million mainly driven by rental sales growth, indirect cost savings and sales of rental modules. The comparable EBITDA margin increased to 49.3% (44.6). Positive comparable EBITDA development was also underpinned with realising synergies from NMG acquisition.

EBITDA amounted to EUR 68.5 (62.1) million, showing an increase of 10%. Items affecting comparability included costs related to restructuring of EUR 1.2 million.

Business Area Permanent Space

In Business Area Permanent Space, Adapteo provides mainly tailor-made pre-fabricated modular space solutions for sale or long-term leasing to public and private sector customers. Adapteo provides turnkey solutions, which can be considered by customers as substitutes for buildings constructed by traditional building contractors and which are manufactured in controlled indoor circumstances with a short delivery time. The modular buildings in this business area also resemble permanent buildings in their characteristics and comply with the permanent building requirements.

Pro forma

EUR millions or as indicated	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Full Year 2018
Rental sales	0.4		0.5		
Assembly and other services	0.0				
Sales, new modules	8.8	8.0	24.8	26.0	35.8
External Net sales	9.2	8.0	25.3	26.0	35.8
Inter-segment sales	6.9	7.2	14.6	18.5	24.8
Comparable EBITDA	0.7	1.9	2.1	3.1	4.0
EBITDA	0.7	1.9	1.5	3.1	4.0
Comparable EBITDA margin, %[1]	7.2	24.1	8.3	12.0	11.2
EBITDA margin, %[1]	7.2	24.1	5.9	12.0	11.2

[1] External sales

Performance in January-September

Business Area Permanent Space's January-September external Net sales amounted to EUR 25.3 (26.0) million, showing a decrease of 3%. The market in Sweden for Business Area Permanent Space core segments School and Day care have shown a decline during the year 2019 but turned around during the third quarter of the year. External sales were underpinned with first three building deliveries of Business Area Permanent Space to Finland and a first building delivered to Norway. Outlook for the both new geographical areas is expected to be positive. Inter-segment sales decreased due to the Gråbo factory's transition to produce C90 rental modules.

Comparable EBITDA decreased to EUR 2.1 (3.1) million, representing 8.3% (12.0) of external Net sales. Profitability was negatively affected by a shifted focus to C90 systems in the Gråbo factory, which is now running with improving efficiency. There is a restructuring program going on to assess the factories' full potential and to seek higher efficiency. The Anneberg factory is executing an efficiency programme to improve material flow and remove bottlenecks in production.

EBITDA amounted to EUR 1.5 (3.1) million. Items affecting comparability included costs related to restructuring of EUR 0.6 million.

Personnel

At the end of the period, Adapteo Group personnel totalled 358 (159) as full-time equivalent (FTE) employees. The number of Adapteo personnel decreased compared to the second quarter of 2019 but increased compared to 2018 due to the NMG acquisition.

Significant events after the reporting period

The Company received a notification pursuant to Chapter 9, Section 5 of the Securities Markets Act from Nordea Funds Oy on 4 October 2019. According to the notification, the holding of Nordea Funds Oy in the Company's shares and votes had exceeded 5 per cent on 3 October 2019. Nordea Funds Oy held a total of 2,252,493 shares and 2,299, 240 voting rights corresponding to an ownership of 5.04108 percent in Adapteo's shares and 5.14570 percent in votes on 3 October 2019.

The Company received a notification pursuant to Chapter 9, Section 5 of the Securities Markets Act from Sterling Strategic Value Fund S.A., SICAV-RAIF on 8 October 2019. According to the notification, the holding of Sterling Strategic Value Fund S.A., SICAV-RAIF in the Company's shares and votes had exceeded 5 per cent on 7 October 2019. Sterling Strategic Value Fund S.A., SICAV-RAIF held a total of 2,240,752 shares corresponding to an ownership of 5.0148 percent in Adapteo's shares and votes on 7 October 2019.

On 29 October 2019 the Company announced that its Shareholders' Nomination Committee had been appointed in accordance with the Charter of Adapteo's Nomination Committee approved by the Extraordinary General Meeting of Shareholders of Cramo Plc held on 17 June 2019. The Nomination Committee comprises the representatives of the three largest shareholders of Adapteo as at 30 September 2019 and, in addition, the Chairman of the Board of Directors. In accordance with the above, the members of Adapteo's Nomination

Committee are: Fredrik Åtting, nominated by EQT Fund Management S.à r.l, Dr. Giulia Nobili, Sterling Strategic Value Fund S.A., SICAV-RAIF, Marie Karlsson, Nordea Funds and Peter Nilsson, Chairman of the Board of Directors of Adapteo. In its organizing meeting on 29 October 2019, the Nomination Committee elected Fredrik Åtting as its Chairman.

Financial calendar

Financial Statements Bulletin 2019   14 February 2020

Forward looking statements

This report contains forward-looking statements that reflect the Board of Directors' and management's current views with respect to certain future events and potential financial performance. Although the Board of Directors and the management believe that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, (i) changes in economic, market and competitive conditions, (ii) success of business and operating initiatives, (iii) changes in the regulatory environment and other government actions, (iv) fluctuations in exchange rates and (v) business risk management. This report does not imply that Adapteo has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

Stockholm, 15 November 2019
On behalf of the Board of Directors of Adapteo Plc
Philip Isell Lind af Hageby
President and CEO, Adapteo Plc

Further information:
Mr Philip Isell Lind af Hageby, President and CEO, tel. +46 73 022 19 36
Mr Timo Pirskanen, CFO, tel. +358 50 3154320

The Condensed third quarter financial information in this report is unaudited.

Distribution:
Nasdaq Stockholm
Main media
www.adapteogroup.com

Adapteo in brief
Adapteo is a leading Northern European provider of modular space solutions. We operate in Sweden, Finland, Norway, Denmark and Germany. Adapteo is a new brand with over 30 years of experience, born from the acquisition of Nordic Modular Group and the demerger from Cramo. We offer premium modular space solutions to schools, day care centres, offices, accommodation and events for temporary and permanent needs. In 2018, Adapteo's pro forma Net sales were EUR 221 million. Pro forma Net sales include the modular space business of Cramo Plc and acquired Nordic Modular Group's Net sales for the full year.
A changing society needs adaptable space. At Adapteo, we make sure everyone has the right kind of space, so that people can grow, and societies can move ahead. We create flexible modular spaces that are good for the planet and great for the future. Adapteo is listed on Nasdaq Stockholm.

www.adapteogroup.com
Space to grow

FINANCIAL INFORMATION

Unaudited pro forma financial information

Basis of presentation

Adapteo Plc publishes additional unaudited pro forma financial information for January–September 2019 and January–September 2018 to illustrate the effects of the acquisition of NMG and the demerger and related refinancing on the business performance of Adapteo. Pro forma information is presented separately for group level and for new business area structure effective as of the consummation of the demerger to facilitate the comparability of Adapteo's future performance. Considering the magnitude of the acquisition of NMG as well as the demerger and related refinancing and the impact on Adapteo's performance and financial position, stand-alone historical information for the periods presented does not provide comparable information for the company's operating performance and financial position.

The pro forma income statement information illustrates the financial impact of the acquisition of NMG as well as the demerger and related refinancing on the business performance of Adapteo as if the transactions had taken place on 1 January 2018.

The unaudited pro forma financial information is presented for illustrative purposes only and addresses a hypothetical situation as if the transactions took place earlier and therefore does not represent the Adapteo's actual historical results of operations and does not purport to project the operating results of Adapteo. The pro forma financial information is prepared based on the historical results of Adapteo and NMG and is presented in accordance with IFRS. The pro forma financial information presented herein has been prepared on a basis consistent with the basis of presentation used in the unaudited pro forma financial information included in the Demerger Prospectus dated 3 June 2019 except that all listing and acquisition related costs have been presented in the periods when these costs were incurred consistently with the underlying historical financial information. In addition, certain allocation principles regarding business area information have been redefined.

For additional information on the basis of presentation of the pro forma financial information and more detailed disclosure on the adjustments, refer to the unaudited pro forma financial information included in the Adapteo Demerger Prospectus dated 3 June 2019 available on our website at www.adapteogroup.com. As Adapteo did not form a separate legal group of entities prior to 30 June 2019, the carve-out financial information which forms the basis for Adapteo's pro forma financial information is therefore not necessarily indicative of the financial performance of Adapteo that would have occurred if it had operated as a separate stand-alone group with standalone corporate headquarter functions during the periods presented herein or of Adapteo's future performance. For additional information on the historical results of Adapteo and NMG, refer to the audited historical carve-out financial statements and the unaudited interim carve-out financial information of Adapteo and audited consolidated financial statements of NMG available on our website.

The pro forma adjustments are based upon available information and certain assumptions. There can be no assurance that the assumptions used in the preparation of the unaudited pro forma financial information will prove to be correct.

All amounts are presented in millions of euros unless otherwise noted. The unaudited pro forma financial information set forth herein has been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total amount given for that column or row.

The additional pro forma financial information is unaudited.

Unaudited third quarter pro forma income statement information

EUR millions	Jul–Sep 2019 (actual)	Jul–Sep 2018	Jan–Sep 2019	Jan–Sep 2018	Full Year 2018
Net sales	60.1	58.7	166.6	165.1	220.6
Other operating income	–0.1	1.4	2.6	2.6	3.6
Materials and services	–26.1	–23.8	–63.2	–63.4	–83.6
Employee benefit expenses	–6.8	–7.5	–24.2	–23.5	–33.6
Other operating expenses	–5.7	–5.7	–25.4	–18.8	–28.6
Depreciation, amortizations and impairments	–9.4	–8.6	–30.5	–25.2	–35.8
Share of profit of joint ventures	0.0	0.0	0.0	0.0	0.0
Operating profit (EBIT)	**12.0**	**14.4**	**26.0**	**36.9**	**42.6**
Finance income	0.9	0.3	1.0	0.4	1.7
Finance costs	–3.7	–2.7	–7.0	–6.8	–9.1
Total finance income and costs	**–2.8**	**–2.4**	**–6.0**	**–6.4**	**–7.4**
Profit before tax	9.2	12.0	20.0	30.5	35.1
Income taxes	–1.6	–2.9	–3.9	–6.6	–6.9
Profit for the period	**7.5**	**9.1**	**16.1**	**24.0**	**28.3**

Unaudited third quarter pro forma business area information

Pro forma business area information presented herein has been prepared to reflect Adapteo's new business area structure effective following the demerger consisting of two business areas Rental Space and Permanent Space as well as Group functions.
The Rental Space business area includes the rental of modular space solutions as well as the provision of assembly and other services, and the Permanent Space business area includes sales and long-term leasing of modular space solutions.

Adapteo reports its business area results using EBITDA and comparable EBITDA as the main operating measures.

Rental Space

EUR millions or as indicated	Jul–Sep 2019 (actual)	Jul–Sep 2018	Jan–Sep 2019	Jan–Sep 2018	Full Year 2018
Rental sales	31.4	31.6	97.1	93.8	128.8
Assembly and other services	20.8	18.6	43.4	44.6	55.4
Sales, new modules	–1.3[1]	0.5	0.8	0.7	0.6
Total external Net sales	**50.9**	**50.7**	**141.3**	**139.1**	**184.8**
Net sales	**50.9**	**50.7**	**141.3**	**139.1**	**184.8**
Comparable EBITDA	**23.1**	**21.7**	**69.7**	**62.1**	**84.7**
Comparable EBITDA margin, %	45.3	42.9	49.3	44.6	45.8
Total items affecting comparability	–0.3		–1.2		
EBITDA	**22.8**	**21.7**	**68.5**	**62.1**	**84.7**
EBITDA margin, %	44.7	42.9	48.5	44.6	45.8

[1] Accounting policy has been specified. Previously presented internal sales between Rental Space and Permanent Space have been moved to be presented entirely within Rental Space during Q3 2019.

Permanent Space

EUR millions or as indicated	Jul–Sep 2019 (actual)	Jul–Sep 2018	Jan–Sep 2019	Jan–Sep 2018	Full Year 2018
Rental sales	0.4		0.5		
Assembly and other services	0.0				
Sales, new modules	8.8	8.0	24.8	26.0	35.8
Total external Net sales	**9.2**	**8.0**	**25.3**	**26.0**	**35.8**
Inter-segment sales	6.9	7.2	14.6	18.5	24.8
Net sales	**16.1**	**15.2**	**39.9**	**44.5**	**60.6**
Comparable EBITDA	**0.7**	**1.9**	**2.1**	**3.1**	**4.0**
Comparable EBITDA margin, %[1]	7.2	24.1	8.3	12.0	11.2
Total items affecting comparability	0.0		–0.6		
EBITDA	**0.7**	**1.9**	**1.5**	**3.1**	**4.0**
EBITDA margin, %[1]	7.2	24.1	5.9	12.0	11.2

[1] External sales

Group functions and eliminations

EUR millions	Jul–Sep 2019 (actual)	Jul–Sep 2018	Jan–Sep 2019	Jan–Sep 2018	Full Year 2018
Rental sales					
Assembly and other services					
Sales, new modules					
Total external Net sales					
Inter-segment sales	-6.9	-7.2	-14.6	-18.5	-24.8
Net sales	**-6.9**	**-7.2**	**-14.6**	**-18.5**	**-24.8**
Comparable EBITDA	**-0.7**	**-0.5**	**-4.0**	**-2.1**	**-5.1**
Total items affecting comparability	-1.4	-0.1	-9.6	-0.9	-5.2
EBITDA	**-2.0**	**-0.6**	**-13.6**	**-3.1**	**-10.3**

Group total

EUR millions or as indicated	Jul–Sep 2019 (actual)	Jul–Sep 2018	Jan–Sep 2019	Jan–Sep 2018	Full Year 2018
Rental sales	31.8	31.6	97.6	93.8	128.8
Assembly and other services	20.8	18.6	43.4	44.6	55.4
Sales, new modules	7.5	8.5	25.6	26.7	36.4
Net sales	**60.1**	**58.7**	**166.6**	**165.1**	**220.6**
Comparable EBITDA	**23.1**	**23.1**	**67.9**	**63.1**	**83.6**
Comparable EBITDA margin, %	38.4	39.4	40.7	38.2	37.9
Total items affecting comparability	-1.7	-0.1	-11.4	-0.9	-5.2
EBITDA	**21.4**	**23.0**	**56.5**	**62.1**	**78.4**
EBITDA margin, %	35.6	39.2	33.9	37.6	35.5
Depreciation, amortizations and impairments	-9.4	-8.6	-30.5	-25.2	-35.8
Operating profit (EBIT)	**12.0**	**14.4**	**26.0**	**36.9**	**42.6**

Pro forma earnings per share and pro forma comparable earnings per share

EUR millions or as indicated	Jul–Sep 2019	Jul–Sep 2018	Jan–Sep 2019	Jan–Sep 2018	Full Year 2018
Profit for the period	7.5	9.1	16.1	24.0	28.3
Number of Adapteo's outstanding shares, 44,682,697 pcs used for all periods					
Earnings per share, EUR	**0.17**	**0.20**	**0.36**	**0.54**	**0.63**
Profit for the period	7.5	9.1	16.1	24.0	28.3
Total items affecting comparability	1.7	0.1	11.4	0.9	5.6
Related income tax impact	0.3	0.0	2.3	0.2	1.1
Comparable profit for the period	**8.9**	**9.2**	**25.2**	**24.7**	**32.8**
Number of Adapteo's outstanding shares, 44,682,697 pcs used for all periods					
Comparable earnings per share, EUR	**0.20**	**0.21**	**0.56**	**0.55**	**0.73**

Key figures

The following table set forth the key figures presented on a pro forma basis for the periods indicated, unless otherwise stated.

EUR millions or as indicated	Jul–Sep 2019 (actual)	Jul–Sep 2018	Jan–Sep 2019	Jan–Sep 2018	Full Year 2018
Net sales	60.1	58.7	166.6	165.1	220.6
Net sales growth in constant currency, %	4.3	–	2.6	–	–
Rental sales	31.8	31.6	97.6	93.8	128.8
Rental sales growth in constant currency, %	1.9	–	5.6	–	–
Operating profit (EBIT)	12.0	14.4	26.0	36.9	42.6
Operating profit (EBIT) margin, %	19.9	24.6	15.6	22.4	19.3
Comparable EBIT	13.6	14.5	37.4	37.8	47.8
Comparable EBIT margin, %	22.7	24.8	22.5	22.9	21.7
EBITA	12.6	15.1	28.0	39.0	45.4
EBITA margin, %	21.0	25.8	16.8	23.6	20.6
Comparable EBITA	14.3	15.2	39.4	39.9	50.6
Comparable EBITA margin, %	23.8	25.9	23.6	24.2	22.9
EBITDA	21.4	23.0	56.5	62.1	78.4
EBITDA margin, %	35.6	39.2	33.9	37.6	35.5
Comparable EBITDA	23.1	23.1	67.9	63.1	83.6
Comparable EBITDA margin, %	38.4	39.4	40.7	38.2	37.9
Profit for the period	7.5	9.1	16.1	24.0	28.3
Capital employed[1]	641.3	348.7	641.3	348.7	620.5
Net capex[1]	4.7	9.9	41.3	39.6	58.2
Net fleet capex[1]	3.5	9.7	31.5	36.2	53.5
Growth capex[1]	2.5	3.6	24.8	29.0	46.7
Maintenance capex[1]	1.0	6.1	6.7	7.2	6.9
Non-fleet capex[1]	1.2	0.2	9.8	3.4	4.7
M&A capex[1]	–	–	–	–	262.0
Net debt/comparable EBITDA	–	–	4.6	–	–
Operative ROCE, %	–	–	11.7	–	12.1
Operating cash flow before growth capex[1]	-0.5	7.1	46.7	34.8	57.6
Cash conversion before growth capex, %[1]	-2.1	44.5	68.7	78.5	93.3
Free cash flow[1]	-3.0	3.6	21.8	5.8	11.0
Utilisation rate, %	84.8	84.9	85.1	85.1	85.3
Average rent per sqm (€/year)[1]	152.8	156.1	154.3	160.5	162.8
Total number of modules	33,304	31,797	33,304	31,797	32,410
Total sqm of modules	1,012,226	949,152	1,012,226	949,152	970,447
Number of FTEs in the end of period	358	159	358	159	391
Earnings per share, EUR	0.17	0.20	0.36	0.54	0.63
Comparable earnings per share, EUR	0.20	0.21	0.56	0.55	0.73

[1] On a carve-out basis/Based on reported Jan-Sep 2019 figures.

Unaudited pro forma income statement information for Jan–Sep 2019

EUR millions	Adapteo Historical	Demerger and refinancing	Adapteo pro forma
Net sales	166.6		166.6
Other operating income	2.6		2.6
Materials and services	–63.2		–63.2
Employee benefit expenses	–24.2		–24.2
Other operating expenses	–25.4		–25.4
Depreciation, amortizations and impairments	–30.5		–30.5
Share of profit of joint ventures	0.0		0.0
Operating profit (EBIT)	**26.0**		**26.0**
Finance income	1.0		1.0
Finance costs	–7.2	0.2	–7.0
Total finance income and costs	**–6.2**	**0.2**	**–6.0**
Profit before tax	19.8	0.2	20.0
Income taxes	–3.9	0.0	–3.9
Profit for the period	**15.9**	**0.2**	**16.1**

Unaudited pro forma income statement information for Jan–Sep 2018

EUR millions	Adapteo Historical	NMG pro forma	Demerger and refinancing	Adapteo pro forma
Net sales	105.1	60.0		165.1
Other operating income	1.1	1.5		2.6
Materials and services	–40.8	–22.6		–63.4
Employee benefit expenses	–11.1	–12.4		–23.5
Other operating expenses	–10.9	–7.8		–18.8
Depreciation, amortizations and impairments	–18.1	–7.1		–25.2
Share of profit of joint ventures		0.0		0.0
Operating profit (EBIT)	**25.3**	**11.7**		**36.9**
Finance income	0.4	0.0		0.4
Finance costs	–3.5	–0.9	–2.5	–6.8
Total finance income and costs	**–3.1**	**–0.9**	**–2.5**	**–6.4**
Profit before tax	22.2	10.8	–2.5	30.5
Income taxes	–4.9	–2.2	0.5	–6.6
Profit for the period	**17.3**	**8.6**	**–2.0**	**24.0**

Reconciliation of certain third quarter pro forma key figures

Reconciliation of pro forma comparable EBIT, comparable EBITA and comparable EBITDA

EUR millions or as indicated	Jul–Sep 2019	Jul–Sep 2018	Jan–Sep 2019	Jan–Sep 2018	Full Year 2018
Items affecting comparability					
Costs related to the contemplated listing	1.3	0.1	8.0	0.1	1.4
Acquisition and integration related expenses	0.3		1.6	0.8	3.8
Restructuring costs	0.1		1.8		
Items affecting comparability in EBIT	**1.7**	**0.1**	**11.4**	**0.9**	**5.2**
Acquisition related expenses in net finance costs					0.4
Total items affecting comparability	**1.7**	**0.1**	**11.4**	**0.9**	**5.6**
Operating profit (EBIT)	**12.0**	**14.4**	**26.0**	**36.9**	**42.6**
Items affecting comparability in EBIT	1.7	0.1	11.4	0.9	5.2
Comparable EBIT	**13.6**	**14.5**	**37.4**	**37.8**	**47.8**
Comparable EBIT margin, %	**22.7**	**24.8**	**22.5**	**22.9**	**21.7**
Operating profit (EBIT)	**12.0**	**14.4**	**26.0**	**36.9**	**42.6**
Amortization of intangible assets resulting from acquisitions	0.7	0.7	2.0	2.1	2.8
EBITA	12.6	15.1	28.0	39.0	45.4
Items affecting comparability in EBIT	1.7	0.1	11.4	0.9	5.2
Comparable EBITA	**14.3**	**15.2**	**39.4**	**39.9**	**50.6**
Comparable EBITA margin, %	**23.8**	**25.9**	**23.6**	**24.2**	**22.9**
Operating profit (EBIT)	**12.0**	**14.4**	**26.0**	**36.9**	**42.6**
Depreciation, amortization and impairments	9.4	8.6	30.5	25.2	35.8
EBITDA	**21.4**	**23.0**	**56.5**	**62.1**	**78.4**
Items affecting comparability in EBIT	1.7	0.1	11.4	0.9	5.2
Comparable EBITDA	**23.1**	**23.1**	**67.9**	**63.1**	**83.6**
Comparable EBITDA margin, %	**38.4**	**39.4**	**40.7**	**38.2**	**37.9**

Reconciliation of pro forma operative ROCE

EUR millions or as indicated	Jan–Sep 2019	Full Year 2018
Net working capital	1.7	-5.9
Property plant and equipment	445.8	423.3
Investments in joint ventures	1.2	1.2
Operative capital employed total	**448.7**	**418.6**
Comparable EBITA (annualised)	52.5	50.6
Operative ROCE, %	11.7	12.1

Definitions for the key figures

The following table sets forth the definitions of the key figures. The components of the pro forma key figures have been derived from the unaudited pro forma income statement information, unless otherwise stated.

Key figure	Definition	Reason for the use
Net sales growth in constant currency	Net sales growth between financial periods 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 periods 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.
EBITA[1]	Operating profit (EBIT) + amortization and impairment on intangible assets resulting from acquisitions	EBITA is a result metric adjusted for amortizations and impairments resulting from acquisitions and better reflects the underlying business performance.
EBITDA[1]	Operating profit (EBIT) + depreciation, amortization and impairments	EBITDA is the indicator to measure the performance of Adapteo. EBITDA also provides a proxy for cash flow generated by operations.
Comparable EBIT[1]	Operating profit (EBIT) + items affecting comparability	Comparable EBIT, comparable EBITA and comparable EBITDA are presented in addition to EBIT, EBITA and EBITDA to reflect the underlying business performance and to enhance comparability from period to period. The Company believes that these comparable performance measures provide 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.
Comparable EBITA[1]	EBITA + items affecting comparability	
Comparable EBITDA[1]	EBITDA + items affecting comparability	
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.	
Capital employed	Property, plant and equipment + goodwill + other intangible assets + investments in joint ventures + net working capital	Capital employed presents the capital requirements of Adapteo’s business.
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 modules net of disposals.

Growth capex	Additions to rental equipment + additions to rental accessories — reinvestment capex	Growth capex distinguishes investments related to growing the rental fleet.
Maintenance capex	Reinvestment capex + capex relating to module upgrades – disposals of rental equipment and rental accessories at net book value	Maintenance capex distinguishes the portion of net investments to the fleet required to maintain the size of the fleet after disposals, as well as to maintain technical quality to meet regulatory and customer requirements.
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.
M&A capex	Enterprise value of the business acquisitions	M&A capex distinguishes investments related to business acquisitions.
Reinvestment capex	Disposed square meters of modules multiplied by average investments in modules per square meter for the period	Capex breakdowns provide further transparency and enable better evaluation of company's cash flows and earnings.
Operating cash flow before growth capex	Comparable EBITDA +/— change in net working capital as presented in cash flow statement — maintenance capex — non-fleet capex	Operating cash flow before growth capex indicates the amount of operational cash flow that is largely available for value creative investments, such as growing the fleet.
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.
Free cash flow	Operating cash flow before growth capex – growth capex	Free cash flow indicates the cash flow that is largely available for e.g. paying dividends.
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 / annualised comparable EBITDA for the period (annualised, nine months divided by three and multiplied by four)	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	Annualised comparable EBITA for the period (annualised, (annualised, nine months divided by three and multiplied by four) / 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 fleet during the period divided by total fleet available	Utilisation rate presents how large a portion of the fleet has on average been on rent. Utilisation rate is a useful indicator to monitor the efficiency of fleet management.
Average rent per sqm	Rental revenue (annualised, nine months divided by three and multiplied by four) / average amount of sqm's on rent	Average rent per sqm provides further transparency to the revenue generation of the company.
Number of modules	–	Number of modules is a useful indicator to monitor the size of the rental fleet.
Total sqm of modules	–	Total sqm of modules is a useful indicator to monitor the size of the rental fleet.
Earnings per share	Profit for the period / number of Adapteo shares issued as a demerger consideration (44,682,697 pcs for all periods presented)	
Comparable earnings per share	Profit for the period excluding items affecting comparability, net of taxes / number of Adapteo shares issued as a demerger consideration (44,682,697 pcs for all periods presented)	

[1]) Corresponding margin has been calculated by dividing the measure with Net sales.

Restatement of certain second quarter pro forma key figures

Due to the incorrect classification of certain restructuring costs reported as items affecting comparability during the second quarter of 2019, Adapteo has restated the amount of items affecting comparability for April–June 2019 and January–June 2019. As a result, the following key figures presented on a pro forma basis for the second quarter 2019 and first half year 2019 were restated:

Comparable EBIT, comparable EBITA and comparable EBITDA:

EUR millions or as indicated	Apr–Jun 2019 reported	Apr–Jun 2019 restated	Jan–Jun 2019 reported	Jan–Jun 2019 restated
Items affecting comparability				
Costs related to the contemplated listing	3.8	3.8	6.7	6.7
Acquisition and integration related expenses	0.9	0.9	1.4	1.4
Restructuring costs	0.5		2.1	1.7
Items affecting comparability in EBIT	**5.1**	**4.7**	**10.2**	**9.7**
Acquisition related expenses in net finance costs				
Total items affecting comparability	**5.1**	**4.7**	**10.2**	**9.7**
Operating profit (EBIT)	**7.1**	**7.1**	**14.0**	**14.0**
Items affecting comparability in EBIT	5.1	4.7	10.2	9.7
Comparable EBIT	**12.2**	**11.7**	**24.2**	**23.8**
Comparable EBIT margin, %	**22.7**	**21.8**	**22.8**	**22.3**
Operating profit (EBIT)	**7.1**	**7.1**	**14.0**	**14.0**
Amortization of intangible assets resulting from acquisitions	0.7	0.7	1.3	1.3
EBITA	**7.7**	**7.7**	**15.4**	**15.4**
Items affecting comparability in EBIT	5.1	4.7	10.2	9.7
Comparable EBITA	**12.9**	**12.4**	**25.6**	**25.1**
Comparable EBITA margin, %	**23.9**	**23.1**	**24.0**	**23.6**
Operating profit (EBIT)	**7.1**	**7.1**	**14.0**	**14.0**
Depreciation, amortization and impairments	10.7	10.7	21.0	21.0
EBITDA	**17.7**	**17.7**	**35.1**	**35.1**
Items affecting comparability in EBIT	5.1	4.7	10.2	9.7
Comparable EBITDA	**22.9**	**22.4**	**45.3**	**44.8**
Comparable EBITDA margin, %	**42.6**	**41.7**	**42.5**	**42.1**

Net debt/comparable EBITDA, operative ROCE and comparable earnings per share:

EUR millions or as indicated	Apr–Jun 2019 reported	Apr–Jun 2019 restated	Jan–Jun 2019 reported	Jan–Jun 2019 restated
Net debt/comparable EBITDA	–	–	4.5	4.5
Operative ROCE, %	–	–	12.0	11.8
Comparable earnings per share, EUR	0.19	0.18	0.37	0.37

Condensed third quarter financial information on actual and carve-out basis

Consolidated income statement

EUR thousands	Jul–Sep 2019	Jul–Sep 2018	Jan–Sep 2019	Jan–Sep 2018	Full Year 2018
Net sales	60,104	39,286	166,634	105,117	151,988
Other operating income	-97	650	2,594	1,093	1,569
Materials and services	-26,116	-17,282	-63,182	-40,832	-57,004
Employee benefit expenses	-6,756	-3,595	-24,232	-11,082	-19,819
Other operating expenses	-5,740	-3,067	-25,366	-10,914	-19,531
Depreciation, amortization and impairments	-9,426	-6,205	-30,469	-18,126	-27,890
Share of profit of joint ventures	7		21		-13
Operating profit (EBIT)	11,978	9,787	26,001	25,256	29,301
Finance income	921	289	989	420	1,657
Finance costs	-3,742	-1,686	-7,199	-3,483	-5,066
Finance costs, net	-2,821	-1,397	-6,210	-3,063	-3,410
Profit before taxes	9,157	8,390	19,791	22,193	25,891
Income taxes	-1,629	-2,130	-3,883	-4,874	-4,978
Profit for the period	7,528	6,260	15,908	17,319	20,913
Attributable to owners of Adapteo	7,528	6,260	15,908	17,319	20,913
Earnings per share, basic, EUR	0.17	0.14	0.36	0.39	0.47
Earnings per share, diluted, EUR	0.17	0.14	0.36	0.39	0.47

Consolidated statement of comprehensive income

EUR thousands	Jul–Sep 2019	Jul–Sep 2018	Jan–Sep 2019	Jan–Sep 2018	Full Year 2018
Profit for the period	**7,528**	**6,260**	**15,908**	**17,319**	**20,913**
Translation differences	-3,215	287	-9,237	-555	2,002
Other comprehensive income for the year, net of tax	-3,215	287	-9,237	-555	2,002
Total comprehensive income for the period	4,313	6,546	6,671	16,764	22,915
Attributable to owners of Adapteo	**4,313**	**6,546**	**6,671**	**16,764**	**22,915**

Consolidated balance sheet

EUR thousands	30 September 2019	30 September 2018	31 December 2018
ASSETS			
Non-current assets			
Property, plant and equipment	445,764	313,652	423,334
Goodwill	167,450	31,973	173,891
Other intangible assets	25,168	2,130	28,025
Investments in joint ventures	1,215		1,241
Deferred tax assets	5,969	2,743	3,109
Finance lease receivables	4,308		5,478
Loan receivables	215		224
Other receivables	369	343	345
Total non-current assets	**650,458**	**350,841**	**635,647**
Current assets			
Inventories	6,348	2,291	6,838
Finance lease receivables	4,949		5,244
Trade and other receivables	74,176	43,937	55,585
Income tax receivables	4,727	428	3,044
Derivative financial instruments	1,047		
Cash and cash equivalents	859	11	2,377
Total current assets	**92,107**	**46,666**	**73,089**
TOTAL ASSETS	**742,565**	**397,508**	**708,735**
EQUITY AND LIABILITIES			
Total equity	**190,588**	**211,935**	**214,627**
Non-current liabilities			
Borrowings	410,697	83,973	350,093
Deferred tax liabilities	41,013	22,592	43,138
Provisions	257	330	50
Pension liabilities		335	372
Total non-current liabilities	**451,966**	**107,231**	**393,653**
Current liabilities			
Borrowings	13,655	30,578	30,468
Trade and other payables	78,955	44,738	68,330
Income tax liabilities	7,311	2,438	1,318
Derivative financial instruments	90		
Provisions		589	338
Total current liabilities	**100,011**	**78,342**	**100,455**
Total liabilities	**551,977**	**185,573**	**494,108**
TOTAL EQUITY AND LIABILITIES	**742,565**	**397,508**	**708,735**

Consolidated statement of cash flows

EUR thousands	Jan–Sep 2019	Jan–Sep 2018	Full Year 2018
Cash flow from operating activities			
Profit before taxes	19,791	22,193	25,891
Adjustments:			
Depreciation, amortization and impairment	*30,469*	*18,126*	*27,890*
Share of profit of joint ventures	*–21*		*13*
Other non-cash adjustments	*–669*	*–1,501*	*–1,886*
Net gain on sale of property, plant and equipment	*–1,016*	*–788*	*–847*
Share-based payments	*241*	*196*	*369*
Finance costs, net	*6,210*	*3,063*	*3,410*
Cash generated from operations before changes in working capital	55,004	41,289	54,840
Change in working capital			
Change in inventories	*268*	*–311*	*2,511*
Change in trade and other receivables	*–19,938*	*–8,522*	*–1,262*
Change in trade and other payables	*14,923*	*9,956*	*6,212*
Change in working capital	–4,747	1,122	7,460
Change in finance lease receivables	1,032		922
Cash generated from operations before financial items and tax	51,289	42,411	63,222
Interest paid	–4,352	–1,401	–2,307
Interest received	21	574	29
Other financial items	–1,218	–1,741	–967
Income taxes paid	–2,957	–2,660	–1,957
Net cash inflow from operating activities	**42,783**	**37,183**	**58,020**
Cash flow from investing activities			
Payments for property, plant and equipment	–49,952	–46,556	–68,057
Payments for intangible assets	–394	–162	–280
Proceeds from sale of property, plant and equipment and intangible assets	8,000	6,652	11,565
Acquisition of subsidiaries and business operations, net of cash acquired	–751	–671	–139,001
Net cash (outflow) from investing activities	**–43,097**	**–40,738**	**–195,773**
Cash flow from financing activities			
Proceeds from bank loans	453,000		209,637
Repayment of bank loans	–439,832		–63,655
Change in other current borrowings	6,125		1,911
Repayments of demerger related liabilities to Cramo Plc	–28,514		
Net proceeds from/repayment of (–) in loans from Cramo Group	–12,248	15,400	15,156
Lease payments	–2,791	–521	–561
Equity financing with Cramo Group, net	23,136	–11,475	–22,519
Net cash inflow from financing activities	**–1,124**	**3,404**	**139,970**
Change in cash and cash equivalents	–1,439	–151	2,216
Cash and cash equivalents at beginning of period	2,377	159	159
Exchange differences	–80	2	2
Cash and cash equivalents at end of period	**859**	**11**	**2,377**

Notes to the condensed third quarter financial information

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 a new independent company named Adapteo Plc. Thus, Adapteo has not formed a separate legal group before 30 June 2019. The balance sheet and the related key figures as per 30 September 2019 and the income statement information for the third quarter of 2019 are based on actual consolidated figures, the income statement and cash flow statement information for the nine-month period ended 30 September 2019 is a combination of actual consolidated and carve-out financial information and the comparative figures for year 2018 are fully based on carve-out financial information.

For more information on the accounting policies applied by Adapteo and the basis of preparation of carve-out financial information, see carve-out financial statements as at and for the years ended 31 December 2018, 2017 and 2016 and condensed half-year financial information included in Adapteo's half-year financial report January – June 2019, both available on our website at www.adapteogroup.com.

This third quarter financial information is unaudited.

Significant changes during the reporting period

The financial position and performance of Adapteo as at and for the nine months period ended 30 September 2019 were particularly affected by the following events and transactions:

- Adapteo Plc was established on 30 June 2019 when the partial demerger of Cramo was completed and all assets, debts and liabilities attributable to Adapteo were transferred to Adapteo Plc. The balance sheet of Adapteo as at 30 September 2019 reflects the actual consolidated balance sheet of the group whereas income statement and cash flow information is a combination of actual and carve-out information and comparative information is fully prepared on a carve-out basis.
- The total equity has decreased from EUR 214.6 million as at 31 December 2018 to EUR 190.6 million as at 31 September 2019 mainly due to portion of Cramo's external general debt transferred to Adapteo in the demerger as at 30 June 2019 in accordance with the demerger plan as well as decreases in allocated carve-out debt balances prior to the demerger. Net of these items has increased the amount of borrowings and decreased the amount of total equity.
- Adapteo adopted the new IFRS 16 Leases standard on 1 January 2019 using the modified retrospective approach where the comparative financial information was not restated and the impacts of the adoption were recognised on the opening balance sheet on 1 January 2019.
- Acquisition of Nordic Modular Group Holding AB ("NMG") completed on 31 October 2018 impacts the comparability of the income statement information between the current reporting periods and the comparative periods.
- Operating expenses in reporting period of nine months ended 30 September 2019 include items affecting comparability of EUR 11.4 million consisting of costs related to the listing of EUR 8.0 million, NMG acquisition related integration costs of EUR 1.6 million and restructuring costs of EUR 1.8 million consisting of redundancy payments.

Net debt

Adapteo's borrowings as at 30 September 2019 consisted of bank loans, credit facility, lease liabilities and a collateralised loan.

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

EUR thousands	30 September 2019	31 December 2018
Non-current:		
Bank loans	398,456	209,663
Convertible loan		53,633
Loans from Cramo Group		86,327
Lease liabilities	12,241	
Finance lease liabilities		469
Total non-current borrowings	**410,697**	**350,093**
Current:		
Credit facility	11,050	3,577
Loans from Cramo Group		20,202
Collateralised loan	1,099	6,475
Lease liabilities	1,506	
Finance lease liabilities		215
Total current borrowings	**13,655**	**30,468**
Total borrowings	**424,352**	**380,561**
Less:		
Loan receivables	–215	–224
Finance lease receivables	–9,257	–10,721
Cash and cash equivalents	–859	–2,377
Net debt	**414,021**	**367,238**

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.

After the demerger, a new term loan of EUR 400 million was drawn on 1 July 2019. The loan was used to repay the loans transferred in the demerger. The loans repaid on 1 July 2019 consist of the EUR 243 million bank loan attributable to the acquisition of NMG, and the EUR 125 million bank loan transferred as a general debt allocation in accordance with the demerger plan.

In addition, a loan to Cramo Plc of EUR 19.4 million was transferred as the general debt allocation and a receivable from Cramo Plc of EUR 1.0 million was transferred as cash allocation in accordance with the demerger plan. In connection with the demerger Cramo has also invoiced Adapteo EUR 10.1 million of costs related to the listing and commencement of Adapteo's operations. These balances with Cramo Plc have been paid in full at the date of this report.

Adapteo has EUR 100 million revolving credit facility maturing in 2022 but, at the consent of the lenders, the maturity can be extended by twelve months and EUR 10 million facility agreement valid until further notice. Out of these EUR 100 million revolving credit facility was unused on 30 September 2019. In addition, Adapteo has SEK 98 million multi-option facility agreement valid until 31 December 2019, of which SEK 82.5 million was used on 30 September 2019.

Adapteo.