

Business Review

January – March 2021

Presentation 4 May 2021



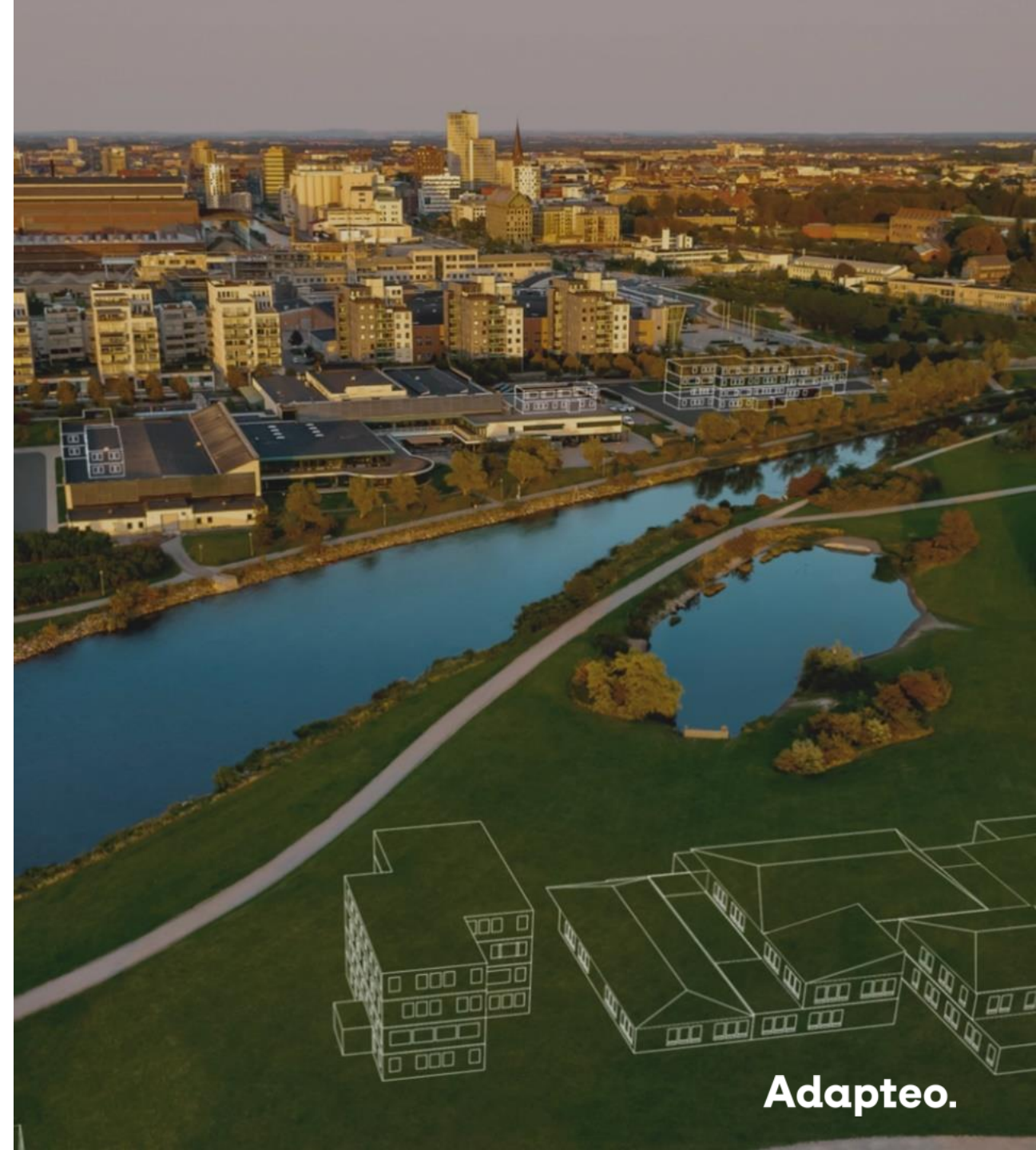
Business Overview

Philip Isell Lind af Hageby
President and CEO

Q1 Highlights

- Acquisition of Stord Innkvartering completed on 29 January 2021
- Adapteo received its largest order ever – to provide worker accommodation to the Fehmarn Belt FLC village. This large infrastructure tunnel project will link Denmark to continental Europe
- Good volumes in early tender season in most markets

Net sales EUR 68.2 m (49.1)	Rental sales EUR 39.0 m (31.5)	Comp. EBITDA EUR 26.0 m (20.4)
Building portfolio 1,226 k sqm (1,014)	Utilisation rate 78.7% (80.1)	Op. Cashflow before new building capex EUR 18.2 m (12.3)





Providing premium adaptable buildings to the FLC village in Denmark



Worker accommodation

- 1,300 beds
- 30,000 sqm
- Air-conditioned rooms
- Common kitchens and social areas
- Leveraged Stord acquisition and internal know-how



Fehmarn Link Contractors, FLC



Planned delivery in June 2021

“ I am pleased to see that we can expand our new and important worker accommodation customer segment yet further through this project, which is the largest contract in the history of Adapteo.

*Philip Isell Lind af Hageby,
President and CEO, Adapteo Group*

“ We are immensely proud to be chosen to deliver this school to the city of Östersund. It is one of the largest projects of its kind with the toughest requirements possible for a school project.

*Camilla Hensäter,
Managing Director, Adapteo Sweden*

Business Area Rental Space

Delivering a state-of-the-art school in Östersund



School

- 395 pupils and teachers
- 21 classrooms
- Dining hall and professional kitchen
- Woodshop and other amenities
- 4,765 sqm



Östersunds municipality, Sweden



Rental start in July 2021

Inventive accommodation in the Netherlands



Worker accommodation

- 2,765 sqm
- Four separate single-storey buildings
- Each building accommodates 38 people



Etten-Leur, the Netherlands



Handover in May 2021

Leading the way towards a sustainable and circular industry



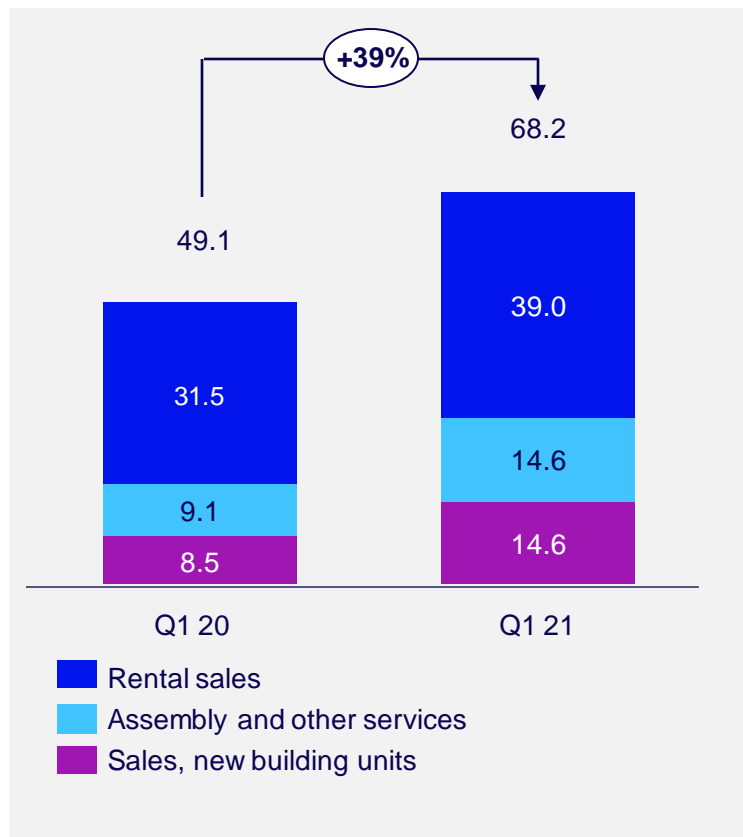
Highlights Q1:

- Release of Sustainability Report 2020
- Strengthening of Supply chain process and supplier diligence
- Strengthening environmental data framework
- Sustainability and environmental data training for key stakeholders within the organisation

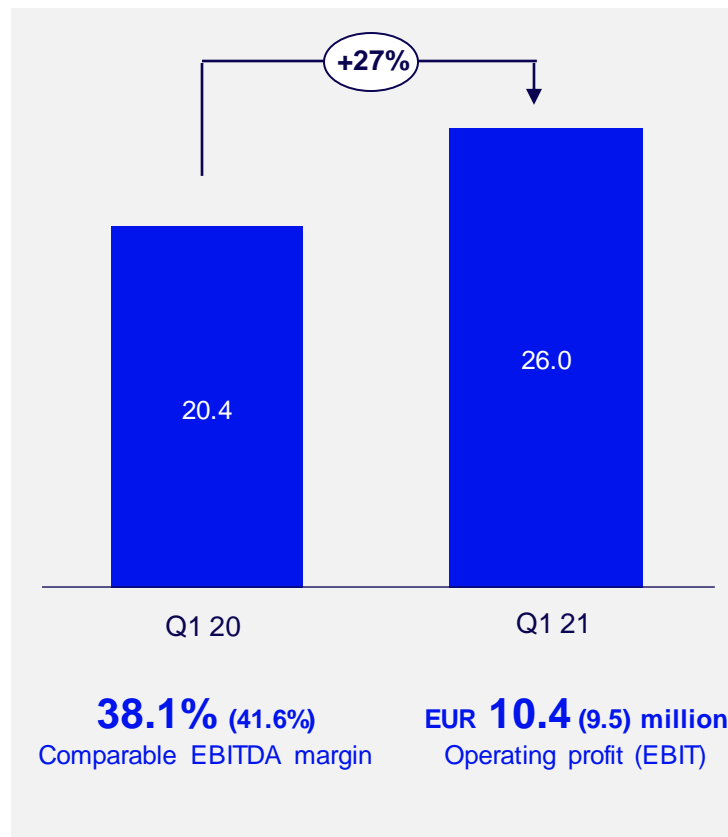


Q1 Financial highlights

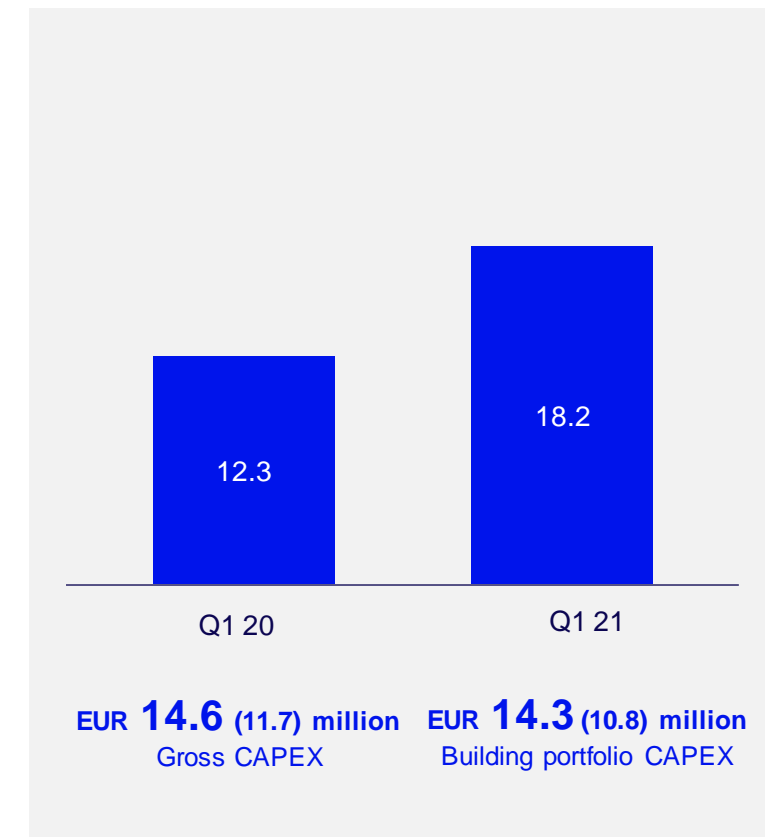
Net sales (mEUR)



Comparable EBITDA (mEUR)

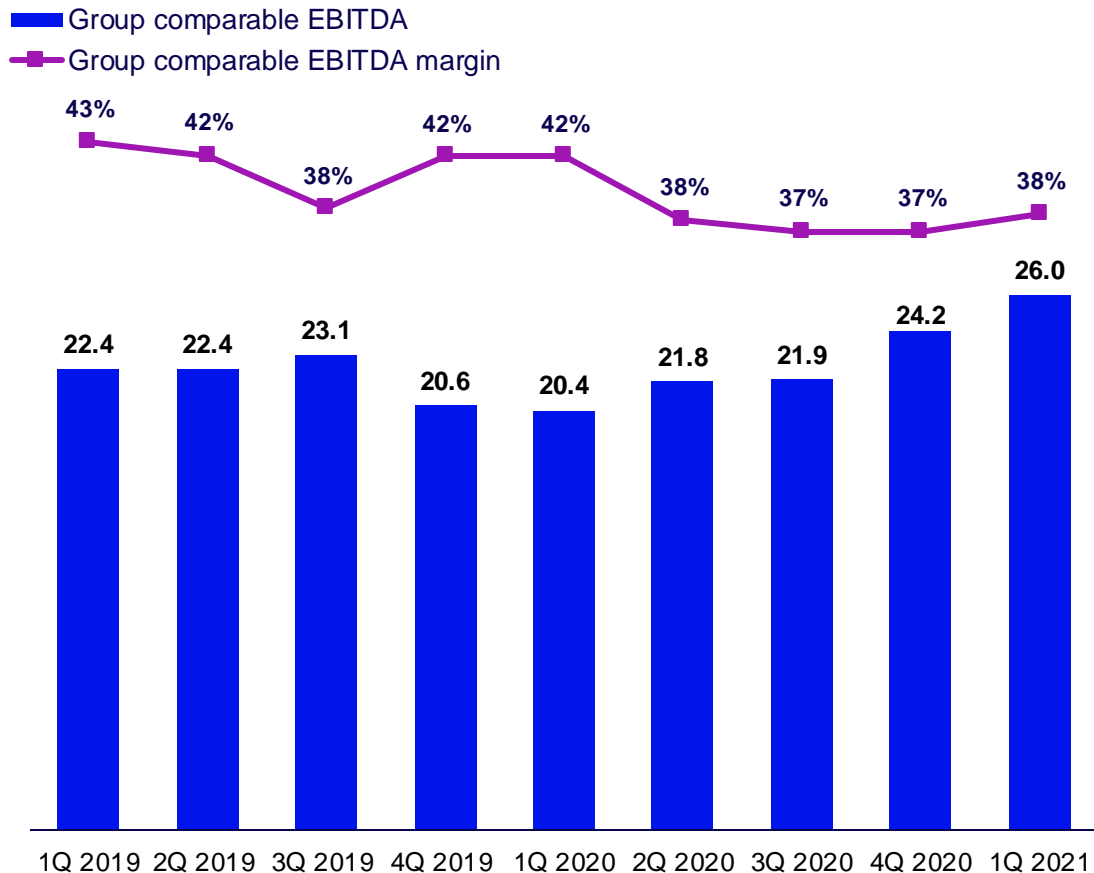


Op. cash flow before new building capex (mEUR)

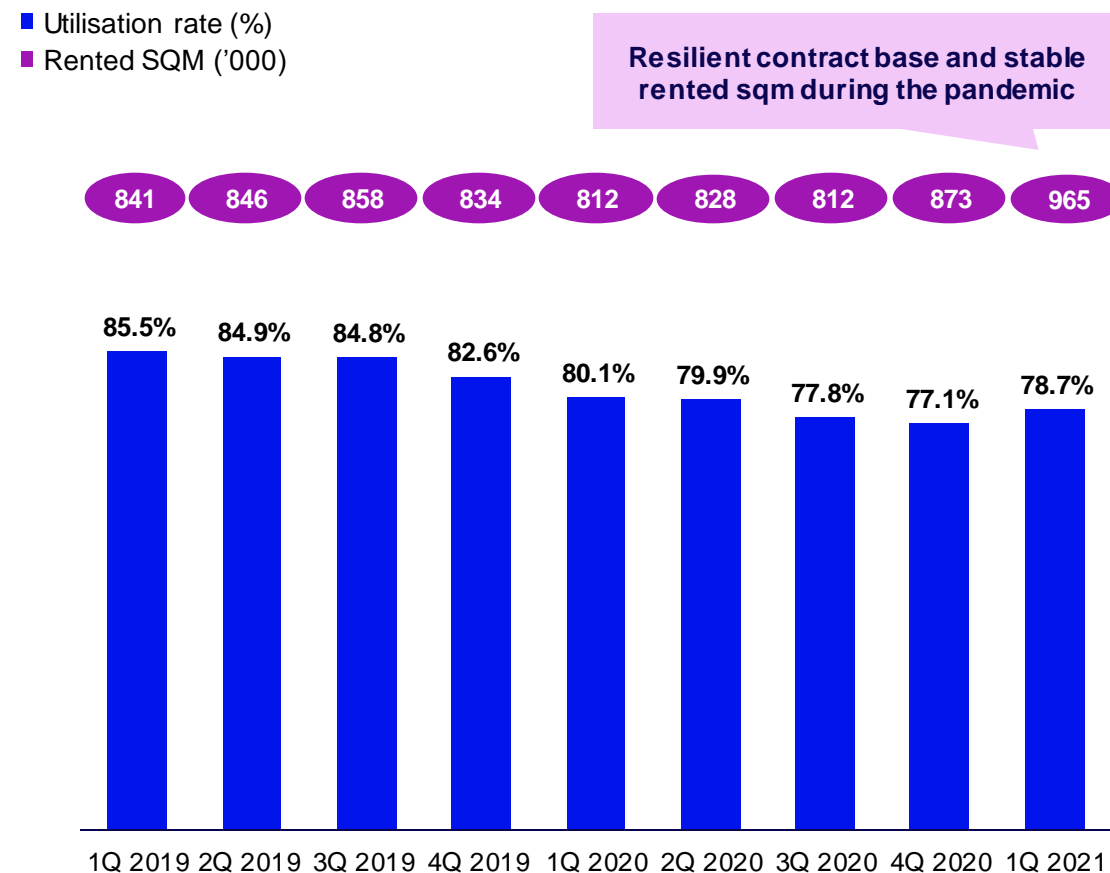


Higher earnings margin with different sales mix and upward trend in utilisation

Stable EBITDA backed by solid margins and high share of Rental Space



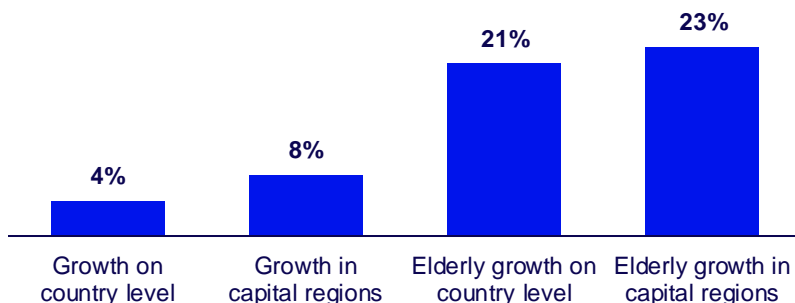
5-year average contract length leads to resilience in utilisation rate



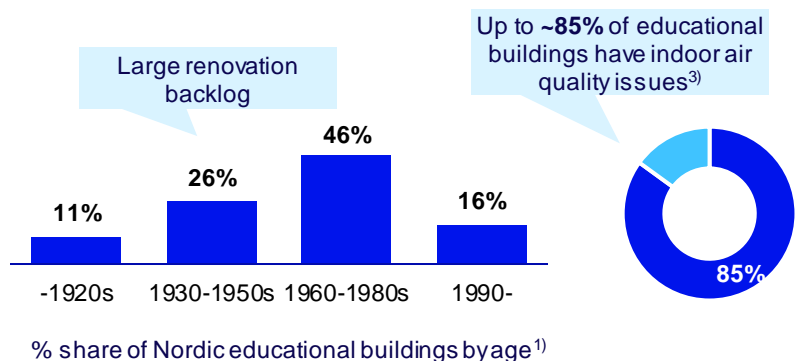
Market growth supported by long-term structural trends

Growing gap between demand and supply of space

Nordic population growth, urbanisation and demographic shift 2020-30²⁾



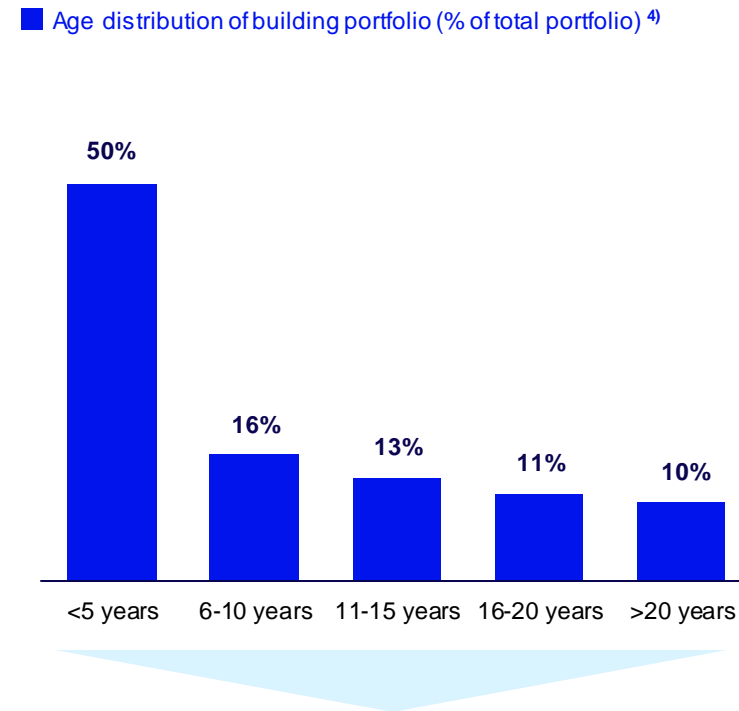
Current educational building stock not adequate to sustain growth



Adaptable Rental Space a preferred solution

- ~70% of the market is social infrastructure (e.g. schools, daycares, elderly care)
- Public customers often have a legal obligation to provide social infrastructure
- Adaptable buildings with flexible financing favoured by public and private sector clients
- Strained public budgets and onerous building processes impact rent vs. build decisions
- Efficient mitigation of growing requirements for sustainable solutions and healthy environments in buildings
- Contribution to sustainability and circular economy

Large share of portfolio composed by young buildings



“Future proof” asset base

~88% of building portfolio⁵⁾ already compliant or requires limited upgrade capex to become compliant with existing and changing building requirements

1) Includes SE, FI, DK, NO; 2) Management's estimates based on public sources SE, FI, DK, NO; 3) 85% educational buildings in Finland (Not representative of the whole building stock. Based on a nationwide survey for education, training and research sector professionals. N=4920), 20% of schools in Sweden, 36% of pupils in Denmark (based on a survey); Source: Adapteo management analyses (Market size, shares and positions) 4) Including 1,028k SQM of Adapteo pre-acquisitions and 96k SQM of Stord, but excluding DCG 5) Excluding DCG and Stord



Financial Performance

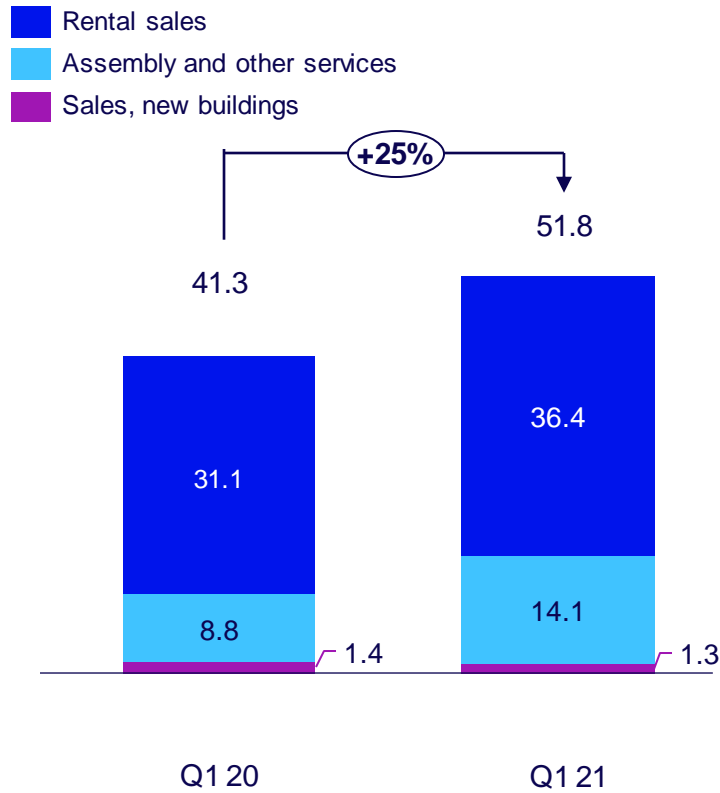
Erik Skånsberg

CFO

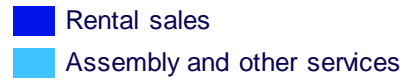
Rental Space

Sales: Increased rental portfolio from Dutch Cabin Group and Stord

Net sales (mEUR)



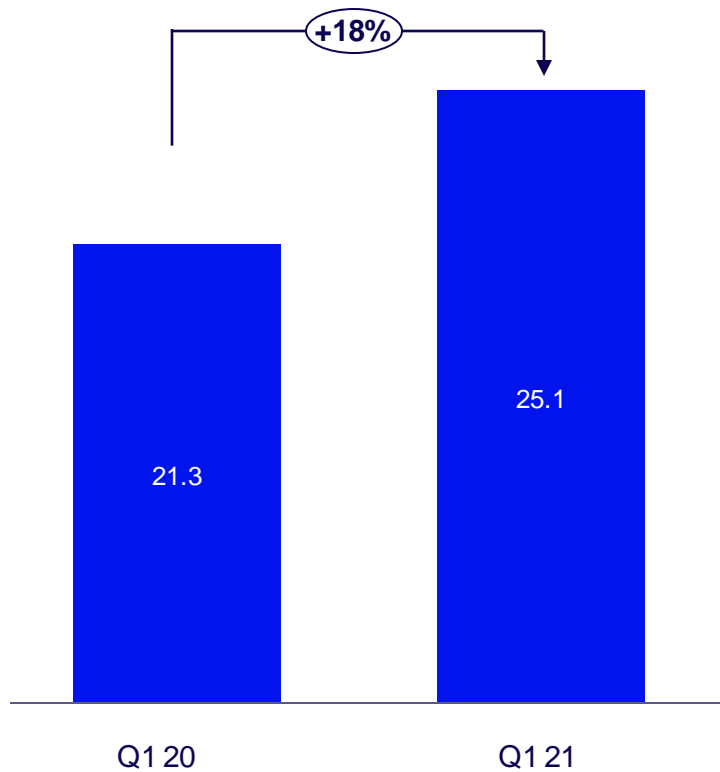
Jan-Mar 2021 Net sales, %



Rental Space

Comparable EBITDA: Contributions from Stord and from Dutch Cabin Group

Comparable EBITDA (mEUR)



- Comparable EBITDA increased by 18% to EUR 25.1 (21.3) million, excluding EUR +0.2 (0.0) million of items affecting comparability.
- Earnings from Old Adapteo were at the same level as Q1 last year, whereas Stord and DCG contributed significantly to the increase.
- The Comparable EBITDA margin decreased to 48.5% (51.6%) due to higher revenue from disassembly and other services.
- Good start to peak tender season with high volumes in all markets except Finland.
- In addition to the inclusion of Stord and DCG, rental sales increased in Germany, Sweden, Denmark, and Norway.
- Utilisation at 78.7% (80.1%).
- Square meters in building portfolio increased by 8% compared to 31 December due to Stord inclusion.

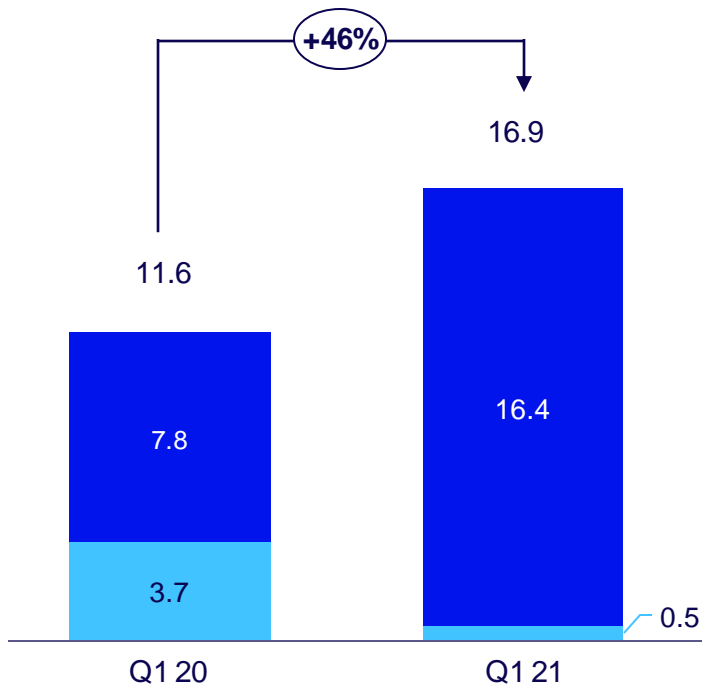


Permanent Space

Sales: External net sales up due to inclusion of Dutch Cabin Group

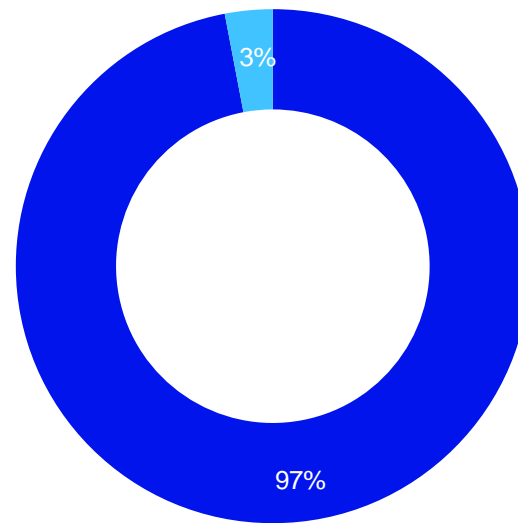
Net sales (mEUR)

- External net sales
- Internal sales



Jan-Mar 2021 Net sales, %

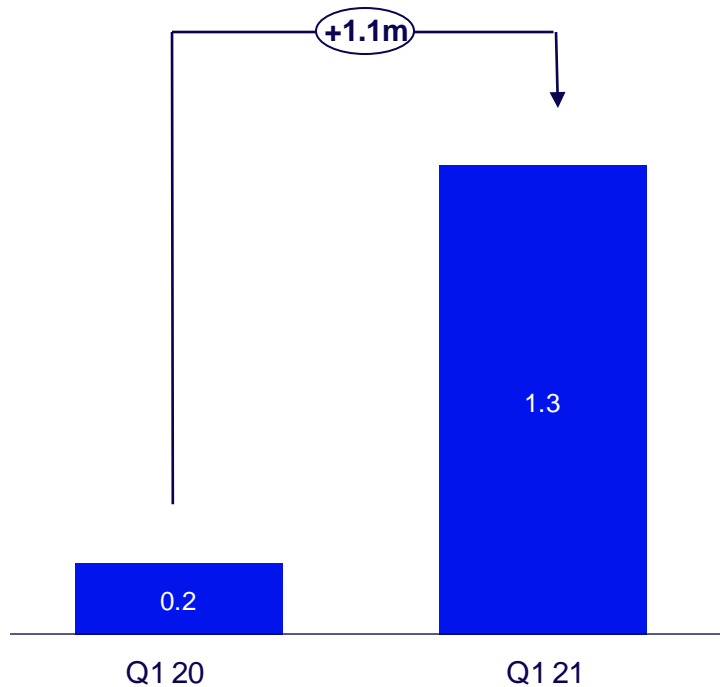
- External net sales
- Internal sales



Permanent Space

Comparable EBITDA: Addition from Dutch Cabin Group

Comparable EBITDA (mEUR)

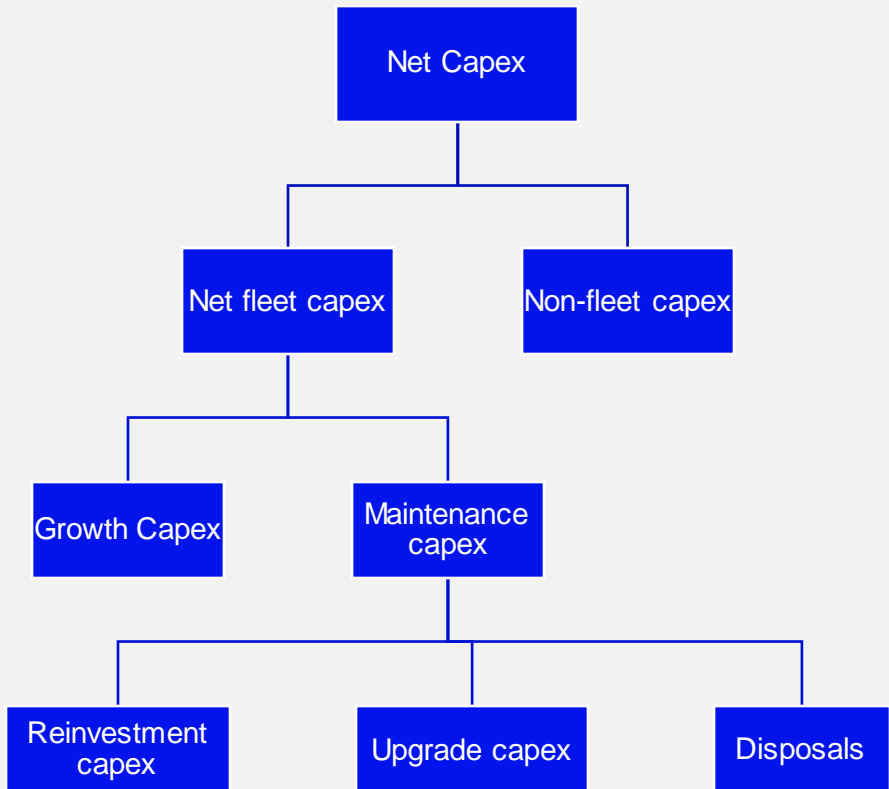


- Comparable EBITDA increased by EUR 1.1 million to EUR 1.3 (0.2) million.
- Earnings from Old Adapteo were lower than Q1 last year, whereas DCG made up for more than the total earnings.
- The Comparable EBITDA margin was 7.7% in Q1 2021.
- Good market conditions in Holland with DCG posting sales and earnings according to plan.
- Finland saw higher earnings than in Q1 2020.
- Sweden saw lower sales in the period as well as production inefficiencies.

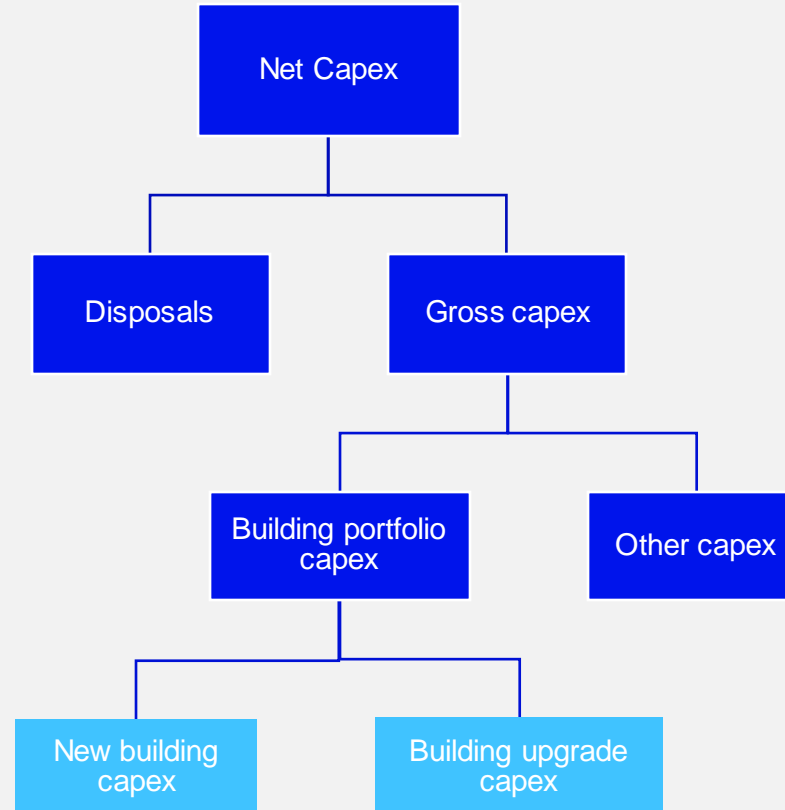


New capex definitions

Old Capex definition



New Capex definition



Building portfolio capex = Additions to rental buildings + additions to rental building accessories

New building capex = Additions to rental buildings – capex relating to building upgrades

Building upgrade capex = Additions to rental building accessories + capex relating to building upgrades

Other capex = Additions to land, buildings, other machinery and equipment + additions to other intangible assets

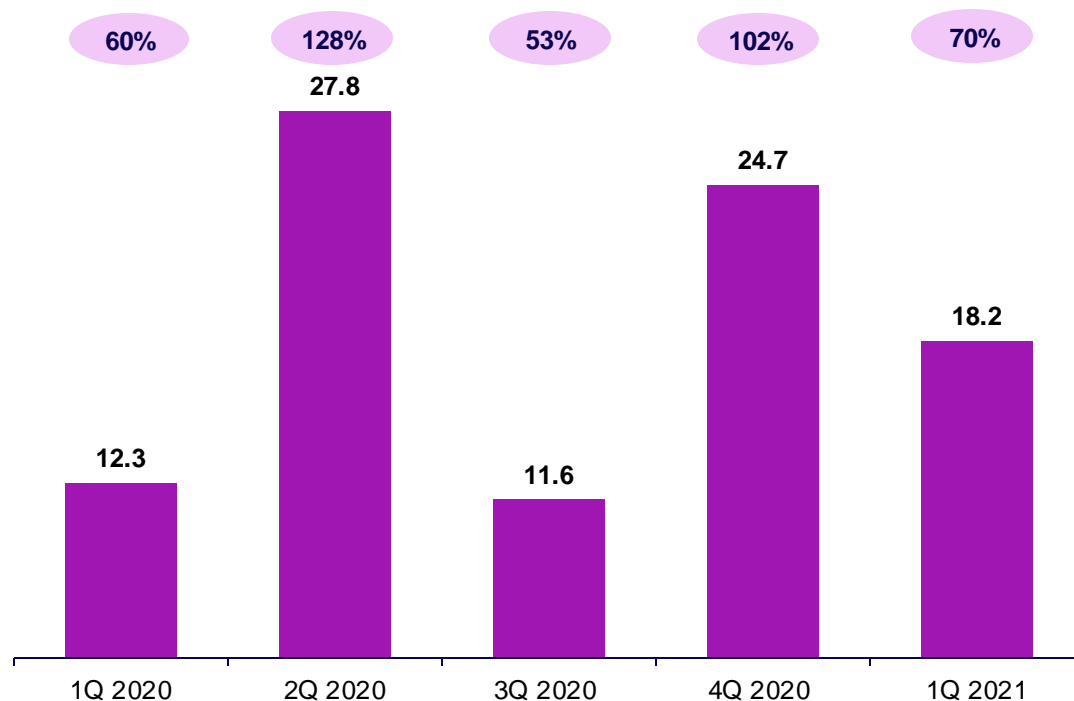
Group performance

Operating cash flow: Q1 capex concentrated to new buildings

Operating cash flow before new building capex (mEUR)

■ Operating cash flow before new building capex

○ % Cash conversion before new building capex



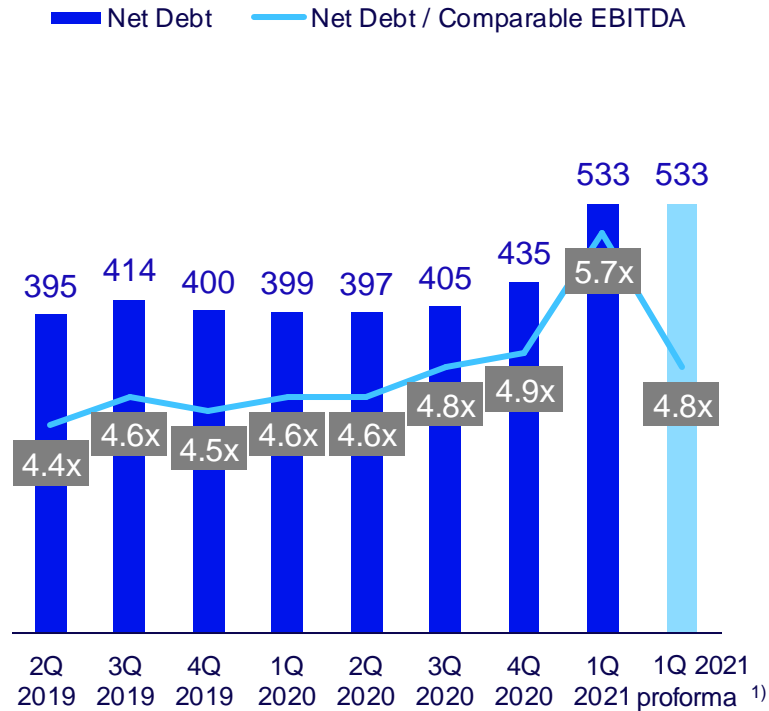
Reconciliation of Operating cash flow (mEUR)

EUR millions	2020					2021
	Q1	Q2	Q3	Q4	Full Year 2020	Q1
Comparable EBITDA	20.4	21.8	21.9	24.2	88.3	26.0
Change in net working capital	-5.5	10.2	-6.1	6.6	5.2	-5.3
Building upgrade capex	-1.8	-2.7	-5.1	-5.0	-14.6	-2.2
Other capex	-0.8	-1.4	0.9	-1.3	-2.5	-0.3
Operating cash flow before new building capex	12.3	27.8	11.6	24.7	76.4	18.2
New building capex	-9.0	-18.9	-11.1	-16.9	-55.8	-12.1
Operating cash flow after gross capex	3.3	9.0	0.5	7.8	20.6	6.1
Disposals	1.0	0.9	0.4	4.3	6.6	1.6
Operating cash flow after net capex	4.3	9.8	1.0	12.1	27.2	7.7

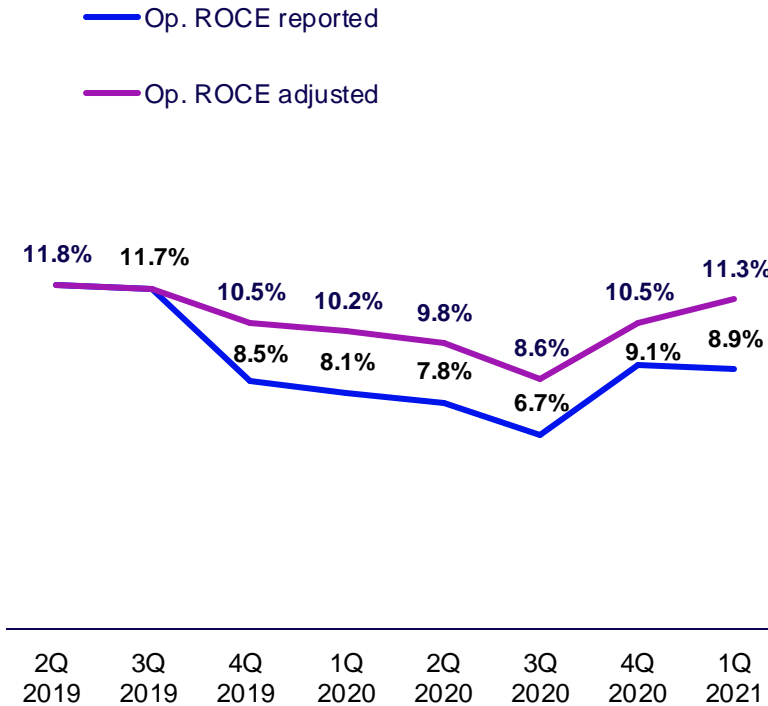
Group performance

Leverage and available funding: Net Debt increased from the Stord acquisition completion. Liquidity and funding positions remain very good.

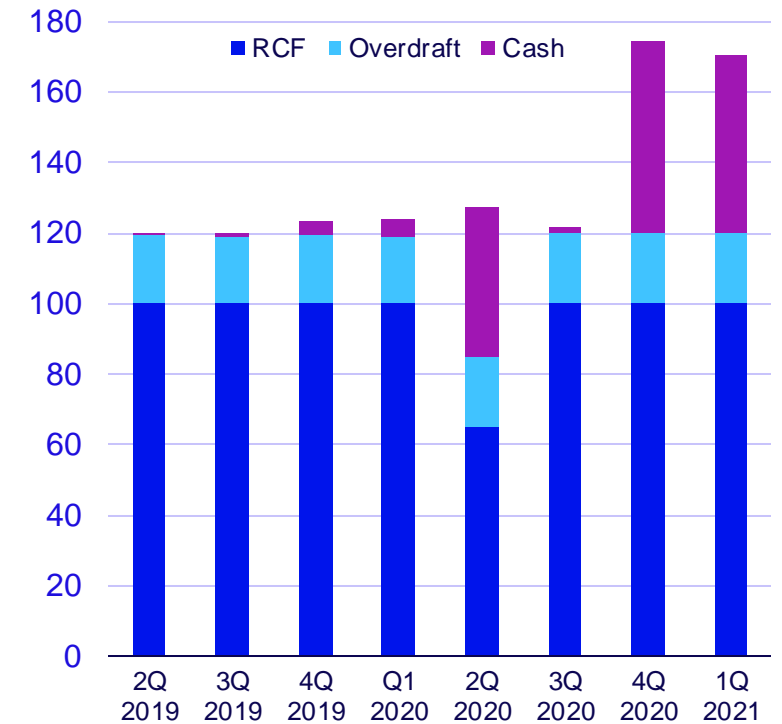
Net Debt (mEUR)
Net Debt / Comparable EBITDA (x)



Operative ROCE (%)



Cash and available funding (mEUR)



Financial targets



Double-digit comparable EBITDA growth

Q1 2021: 27%

Pro forma Q1 2021: 7.7%



Operative ROCE > 10%

Pro forma¹⁾: 11.3%



Net debt/comparable EBITDA 3.5 – 4.5x

Pro forma¹⁾: 4.8x

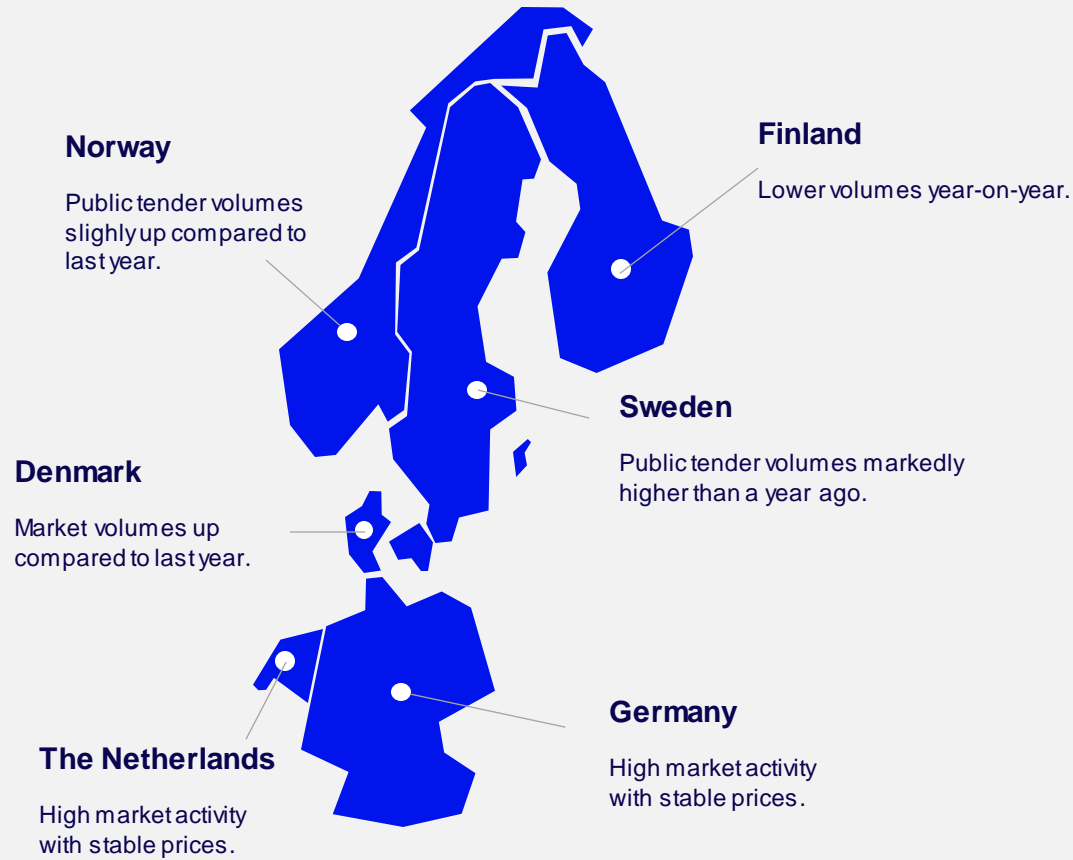


Summary and Outlook

Philip Isell Lind af Hageby
President and CEO



Summary and outlook



Outlook

- High activity in the public sector expected to continue.
- Covid-19 coming under control in most countries will increase the demand from private market segments.
- Stabilised price levels in the Nordic markets.
- Uncertain future will increase demand for flexibility in societies.

- Dual listing to Nasdaq Helsinki no later than June 2021.
- Sustainability progress - targets to be announced in Q2.
- Commercial excellence progress.

Questions are welcome!



Adapteo.

Contact us



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An aerial photograph of a city, likely Minneapolis, Minnesota, featuring a river and a large green park area. The image is overlaid with white wireframe architectural drawings of various building types, including multi-story apartment buildings, townhouses, and commercial structures. The text "The Future is Adaptable" is centered in white. The logo "Adapteo." is in the bottom right corner.

The Future is Adaptable

Adapteo.